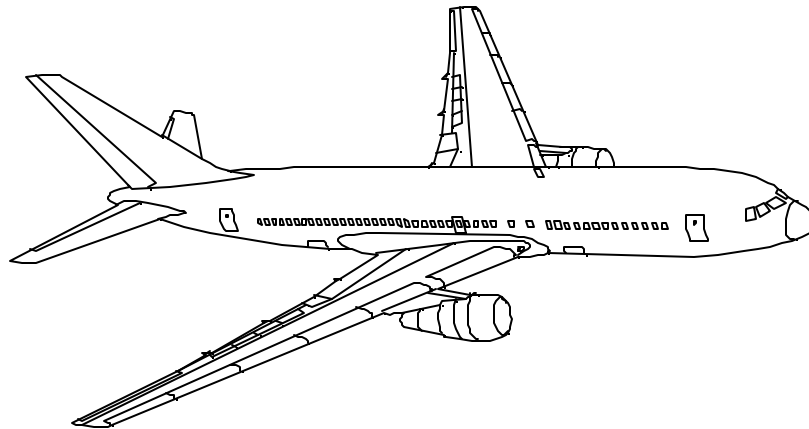


# **AIRLINE QUARTERLY FINANCIAL REVIEW**

SECOND QUARTER 2001



MAJORS



DEPARTMENT OF TRANSPORTATION  
OFFICE OF AVIATION ANALYSIS  
ECONOMIC AND FINANCIAL ANALYSIS DIVISION

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## INTRODUCTION

This report contains staff comments, tables and charts on the financial condition of the U.S. major airlines.

The data are presented on both a carrier group and an individual carrier basis, but the primary focus is on the individual major carrier and its performance. Data are presented for the most recent quarterly period and the comparable quarter a year earlier and also on a 12-month ended basis as at the end of the five most recent quarters. In addition, data on charges over comparable periods 12-months earlier are presented. A graphic presentation of comparative trends, on a carrier group basis, is made for several unit and overall financial indicators. In the case of merged carriers, data for the carriers involved have been combined and presented under the name of the surviving carrier so that meaningful comparisons could be made.

All data presented in this financial and traffic review are derived from data reported to the U.S. Department of Transportation on Form 41 Schedules by Large Certificated Air Carriers. For comparison purposes, this analysis is limited to the major scheduled passenger and all-cargo air carriers only. Alaska Airlines, with revenues exceeding \$1 billion in calendar year 1995, became a major airline effective January 1, 1996, and is included in this review for the first time. All financial and traffic results have been retroactively restated to include the operations of Alaska. Certain data in this review is classified in two broad categories : namely "domestic" and "international". "Domestic" encompasses operations within and between the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. It also encompasses Canadian transborder operations and for certain carriers Mexican transborder operations. All other operations are considered "international", which is separated into Atlantic, Latin, and Pacific.

Suggestions from users for the improving either the scope, presentation, or utility of this review are invited. It will also be appreciated if suggestions, discrepancies, and errors in the data are called to the attention of the Economic & Financial Division, Office of Aviation Analysis, Office of the Secretary, U.S. Department of Transportation, Washington, D.C. 20590.

## QUARTERLY FINANCIAL & TRAFFIC REVIEW

### TOTAL SYSTEM PASSENGER & ALL-CARGO MAJORS

#### QUARTERLY RESULTS

- American Eagle and American Trans Air achieved major airline status effective January 1, 2000. Beginning with the second quarter 2000, this report will include the results of these carriers. For comparison purposes, all prior period results have been adjusted to include these carriers as well.
- For the second quarter 2001, operating revenues fell 4.3 percent while operating expenses jumped 9.3 percent, resulting in a \$3.82 billion plunge in operating profit to a loss of \$719.2 million. This was the second consecutive quarterly loss after reporting 6 years of continuous profits. The passenger major group tumbled \$3.83 billion to a loss of \$724.4 million, while the all-cargo group, although down \$295.4 million, remained positive with a profit of \$5.2 million.
- Total fuel expense rose 12.9 percent (\$427.3 million) primarily due to rising fuel prices, up 12.1 percent, as fuel consumption rose only 0.7 percent. Unit fuel prices averaged just over 81 cents.
- Net income dropped \$2.6 billion to a loss of \$771.8 million. The passenger major group was down \$2.39 billion to a loss of \$729.2 million, while the all-cargo group declined \$210.5 million to \$42.6 million.

OPERATING PROFIT (LOSS) AND NET INCOME (LOSS) 1/ (\$MILLIONS)						
CARRIER	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	2Q 2000	2Q 2001	\$CHANGE	2Q 2000	2Q 2001	\$CHANGE
TOTAL ALL MAJORS	3104.5	-719.2	-3823.7	1831.1	-771.8	-2602.9
TOTAL PASSENGER MAJORS	2803.9	-724.4	-3528.3	1663.2	-729.2	-2392.4
ALASKA	8.6	11.5	2.9	6.0	4.8	-1.2
AMERICA WEST	49.3	-55.8	-105.1	28.3	-43.3	-71.6
AMERICAN	469.9	-681.5	-1151.4	323.6	-437.1	-760.7
AMERICAN EAGLE	27.3	-81.3	-108.6	4.7	-65.6	-70.3
AMERICAN TRANS AIR	23.2	18.3	-4.9	6.9	10.8	3.9
CONTINENTAL	230.0	104.9	-125.1	133.4	37.5	-95.9
DELTA	577.4	23.9	-553.5	434.5	-26.8	-461.3
NORTHWEST	275.9	-19.7	-295.6	126.8	-57.4	-184.2
SOUTHWEST	314.6	291.0	-23.6	190.6	175.6	-15.0
TRANS WORLD	15.3	-12.0	-27.3	-4.2	-13.8	-9.6
UNITED	651.5	-354.8	-1006.3	330.8	-293.7	-624.5
US AIRWAYS	161.0	31.1	-129.9	77.9	-16.4	-94.3
TOTAL ALL-CARGO MAJORS	300.6	5.2	-295.4	167.9	-42.6	-210.5
DHL AIRWAYS	-10.9	-52.8	-41.9	-7.7	-51.9	-44.2
FEDERAL EXPRESS	297.7	59.0	-238.7	176.3	32.6	-143.7
UNITED PARCEL SERVICE	13.8	-0.9	-14.7	-0.8	-23.4	-22.6

- The passenger load factor slid 2.9 percentage points to 73.5 percent, as RPM traffic dipped 0.9 percent and ASM capacity increased 3 percent.
- Passenger (RPM) was down 6 percent to 12.6 cents.
- Interest expense jumped \$48.8 million to \$597.1 million.
- Total debt surged \$6.6 billion to more than \$40 billion causing the debt-to-investment ratio to rise 5.5 percentage points to 53.3 percent.

#### 12-MONTH RESULTS

- Operating results declined from a year ago for the eleventh consecutive period, while net results were down for the fifth consecutive period.
- Operating profit was down a staggering \$5.8 billion from a year ago to \$1.19 billion. The passenger group declined \$5.5 billion to \$396.6 million, while the all-cargo group declined \$260.9 million to \$790.5 million.
- Net results fell \$4.99 billion to a loss of \$893.4 million, the first quarter-ended 12-month loss since the first quarter 1995. The passenger group declined \$4.77 billion to a \$1.24 billion loss, and the all-cargo group fell \$219.4 million but remained positive with a profit of \$344.4 million.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	24,260.0	25,446.9	97,609.6	98,796.5	98,087.6	96,196.2	93,889.7
2	Operating Expenses	24,984.4	22,642.9	97,213.1	94,871.5	92,592.0	90,362.4	87,954.2
3	Operating Profit (Loss)	-724.4	2,803.9	396.6	3,924.9	5,495.6	5,833.8	5,935.5
4	Net Income (Loss)	-729.2	1,663.2	-1,238.9	1,153.5	2,083.8	2,957.4	3,526.9
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	169.52	171.04	653.15	654.67	651.79	646.16	637.85
6	ASMs - Scheduled Rev. Svc.	230.51	223.73	906.42	899.64	894.93	889.72	883.55
7	Overall RTMs (All Svc.)	19.72	20.13	76.92	77.33	77.19	76.72	75.92
8	Overall ATMs (All Svc.)	34.87	33.31	135.97	134.41	133.20	131.93	130.54
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	123.0	126.4	126.9	127.8	127.1	125.4	123.7
10	Operating Expense per RTM	126.7	112.5	126.4	122.7	119.9	117.8	115.8
11	Operating Profit (Loss) per RTM	-3.7	13.9	0.5	5.1	7.1	7.6	7.8
12	Operating Expense per ATM	71.7	68.0	71.5	70.6	69.5	68.5	67.4
13	Passenger Revenue per RPM	12.60	13.41	13.15	13.36	13.33	13.16	12.98
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.54	1.59	1.60	1.62	1.63
15	Times Interest Earned	*	*	0.32	2.37	3.56	4.45	4.99
16	Current Assets to Current Liabilities	*	*	0.63	0.66	0.67	0.67	0.66
17	No. of Days Cash Coverage of Cash Exp.	*	*	34.9	38.5	39.6	40.0	42.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.0	11.0	0.4	4.0	5.6	6.1	6.3
19	Net Income to Stockholders Equity	*	*	-4.0	3.7	6.7	9.5	11.6
20	Corporate Return on Investment	*	*	1.0	4.8	6.3	7.8	9.0
21	Debt to Total Investment	*	*	54.2	53.5	52.7	47.6	48.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.5	76.4	72.1	72.8	72.8	72.6	72.2
23	Breakeven	76.1	67.1	73.2	70.9	69.4	69.0	68.7
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	463,636	467,682	455,297	456,308	451,813	447,231	442,501
25	Overall RTM's per Employee (000)	42.5	43.0	169.0	169.5	170.9	171.5	171.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.7	10.7	4.0	8.1	9.5	9.0	7.8
27	Operating Expenses (%)	10.3	11.0	10.5	10.7	10.7	10.7	9.7
28	Operating Profit (Loss) (in Millions \$)	-3,528.3	213.5	-5,538.9	-1,797.1	-500.7	-842.8	-1,027.3
29	Net Income (Loss)(in Millions \$)	-2,392.4	-416.5	-4,765.8	-2,789.9	-2,461.0	-1,507.2	-927.6
30	RPMs (Sch. Svc.) (%)	-0.9	8.6	2.4	4.9	5.7	6.0	6.4
31	ASMs (Sch. Svc.) (%)	3.0	3.8	2.6	2.8	3.6	4.0	5.1
32	Operating Revenues per RTM (%)	-2.7	2.0	2.6	3.9	4.1	2.7	0.7
33	Operating Expense per RTM (%)	12.6	2.4	9.2	6.4	5.3	4.3	2.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.0	4.8	1.3	4.2	4.9	3.8	2.0

**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**DOMESTIC OPERATIONS**  
**TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	18,479.2	19,625.0	74,243.3	75,389.1	75,095.9	73,756.8	72,265.8
2	Operating Expenses	19,100.0	17,195.5	74,129.5	72,225.0	70,524.9	68,938.3	67,347.9
3	Operating Profit (Loss)	-620.7	2,429.5	113.8	3,164.1	4,570.9	4,818.5	4,917.9
4	Net Income (Loss)	-628.7	1,457.2	-1,184.7	901.2	1,789.1	2,581.3	3,088.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	121.44	123.44	468.92	470.92	470.50	468.04	463.56
6	ASMs - Scheduled Rev. Svc.	167.87	163.68	662.83	658.64	657.13	655.93	653.16
7	Overall RTMs (All Svc.)	13.13	13.45	51.00	51.32	51.37	51.24	50.90
8	Overall ATMs (All Svc.)	23.29	22.36	91.29	90.37	89.82	89.32	88.54
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	140.7	145.9	145.6	146.9	146.2	143.9	142.0
10	Operating Expense per RTM	145.5	127.8	145.4	140.7	137.3	134.5	132.3
11	Operating Profit (Loss) per RTM	-4.7	18.1	0.2	6.2	8.9	9.4	9.7
12	Operating Expense per ATM	82.0	76.9	81.2	79.9	78.5	77.2	76.1
13	Passenger Revenue per RPM	13.62	14.56	14.17	14.41	14.38	14.17	13.99
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.4	12.4	0.2	4.2	6.1	6.5	6.8
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	0.5	4.9	6.8	8.7	10.0
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.3	75.4	70.7	71.5	71.6	71.4	71.0
23	Breakeven	74.2	64.9	71.5	69.2	67.6	67.3	67.0
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

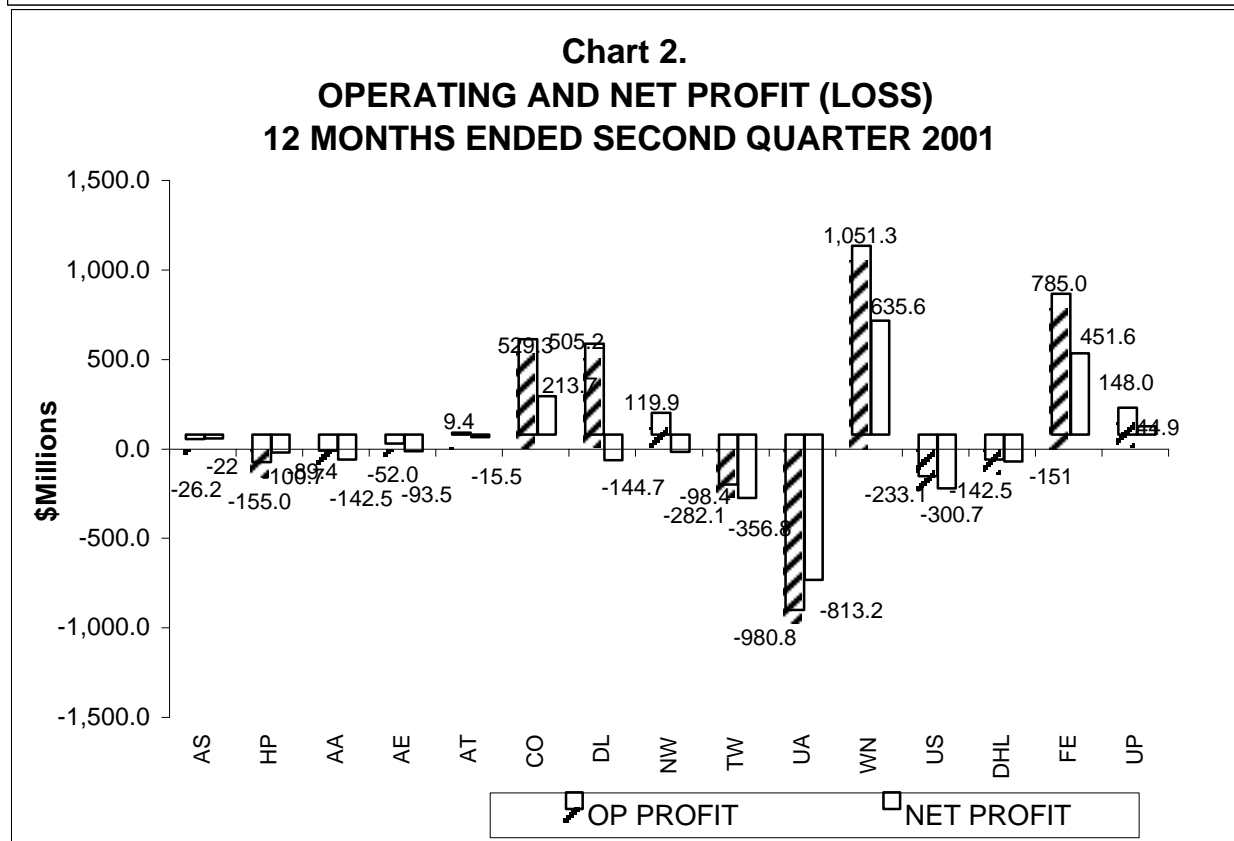
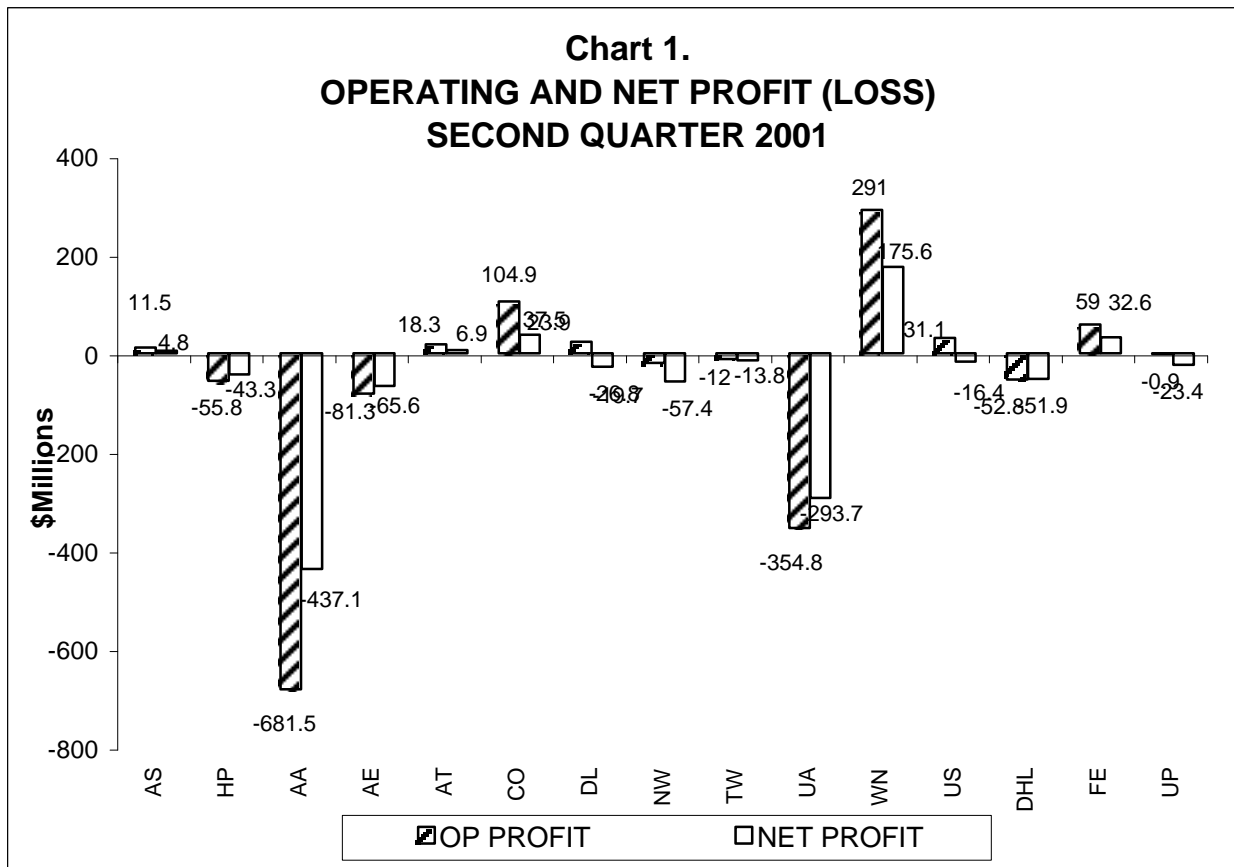
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.8	9.6	2.7	6.9	8.6	8.3	7.5
27	Operating Expenses (%)	11.1	10.5	10.1	9.9	10.2	10.9	10.8
28	Operating Profit (Loss) (in Millions \$)	-3,050.2	92.0	-4,804.1	-1,661.7	-585.8	-1,141.1	-1,545.9
29	Net Income (Loss)(in Millions \$)	-2,085.9	-325.1	-4,272.7	-2,511.9	-2,177.4	-1,443.4	-1,028.3
30	RPMs (Sch. Svc.) (%)	-1.6	7.4	1.2	3.5	4.8	5.6	6.0
31	ASMs (Sch. Svc.) (%)	2.6	2.8	1.5	1.5	2.8	3.9	5.5
32	Operating Revenues per RTM (%)	-3.6	2.2	2.5	4.1	4.4	3.0	1.4
33	Operating Expense per RTM (%)	13.8	3.0	9.9	7.0	5.9	5.5	4.5
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.5	4.9	1.3	4.3	5.0	3.7	2.1

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
INTERNATIONAL OPERATIONS  
TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,780.8	5,821.8	23,366.3	23,407.4	22,991.8	22,439.4	21,623.9
2	Operating Expenses	5,884.5	5,447.4	23,083.6	22,646.6	22,067.1	21,424.1	20,606.3
3	Operating Profit (Loss)	-103.7	374.4	282.7	760.8	924.7	1,015.3	1,017.7
4	Net Income (Loss)	-100.4	206.1	-54.2	252.4	294.7	376.1	439.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	48.08	47.60	184.23	183.75	181.29	178.11	174.29
6	ASMs - Scheduled Rev. Svc.	62.63	60.05	243.59	241.00	237.79	233.78	230.39
7	Overall RTMs (All Svc.)	6.59	6.68	25.93	26.01	25.82	25.48	25.02
8	Overall ATMs (All Svc.)	11.58	10.95	44.67	44.04	43.39	42.60	42.00
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	87.7	87.2	90.1	90.0	89.0	88.1	86.4
10	Operating Expense per RTM	89.3	81.6	89.0	87.1	85.5	84.1	82.3
11	Operating Profit (Loss) per RTM	-1.6	5.6	1.1	2.9	3.6	4.0	4.1
12	Operating Expense per ATM	50.8	49.8	51.7	51.4	50.9	50.3	49.1
13	Passenger Revenue per RPM	10.04	10.42	10.54	10.65	10.58	10.51	10.32
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.8	6.4	1.2	3.3	4.0	4.5	4.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	2.5	4.4	4.6	5.2	5.8
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.8	79.3	75.6	76.2	76.2	76.2	75.7
23	Breakeven	82.0	74.4	77.6	75.7	75.1	74.6	74.2
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.7	14.4	8.1	12.0	12.5	11.3	8.9
27	Operating Expenses (%)	8.0	12.7	12.0	13.3	12.6	10.2	6.4
28	Operating Profit (Loss) (in Millions \$)	-478.1	121.5	-735.0	-135.4	85.1	298.3	518.7
29	Net Income (Loss)(in Millions \$)	-306.5	-91.3	-493.2	-277.9	-283.6	-63.8	100.8
30	RPMs (Sch. Svc.) (%)	1.0	11.7	5.7	8.5	8.1	7.3	7.3
31	ASMs (Sch. Svc.) (%)	4.3	6.8	5.7	6.4	5.8	4.4	4.0
32	Operating Revenues per RTM (%)	0.6	3.2	4.3	5.0	4.5	2.8	-0.5
33	Operating Expense per RTM (%)	9.4	1.6	8.1	6.2	4.7	1.8	-2.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-3.6	5.9	2.1	4.7	5.1	4.7	2.1

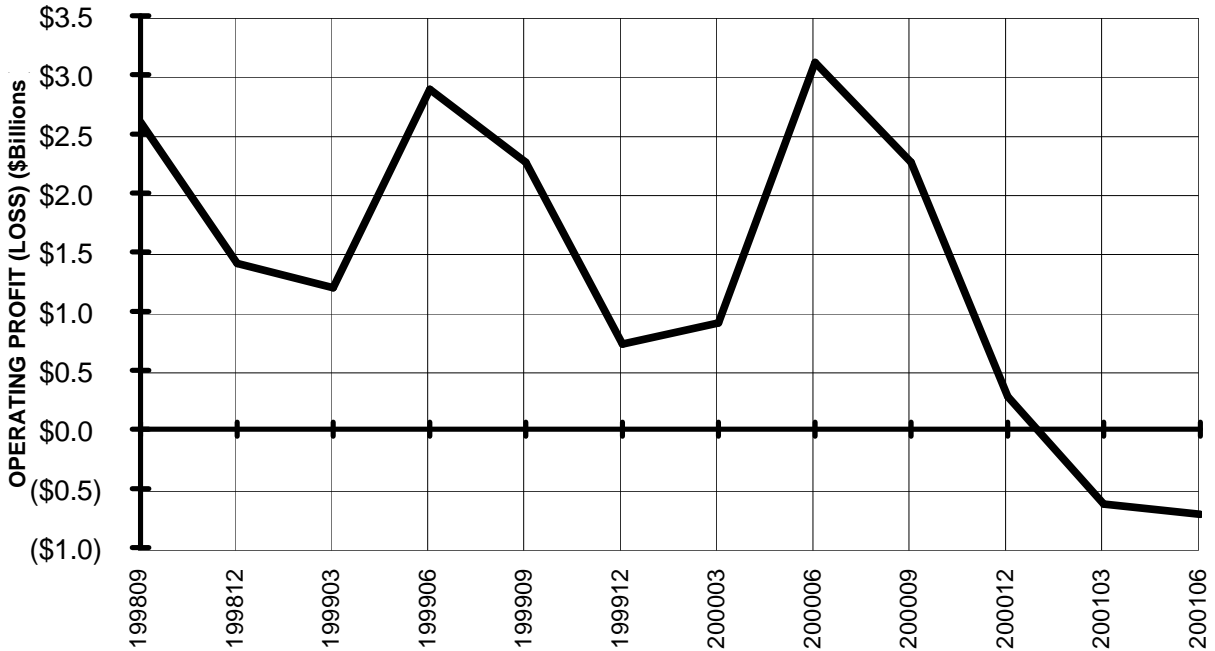
## COMPARISONS AMONG MAJOR GROUP AIRLINES





# TOTAL ALL MAJORS (SYSTEM) BY QUARTER

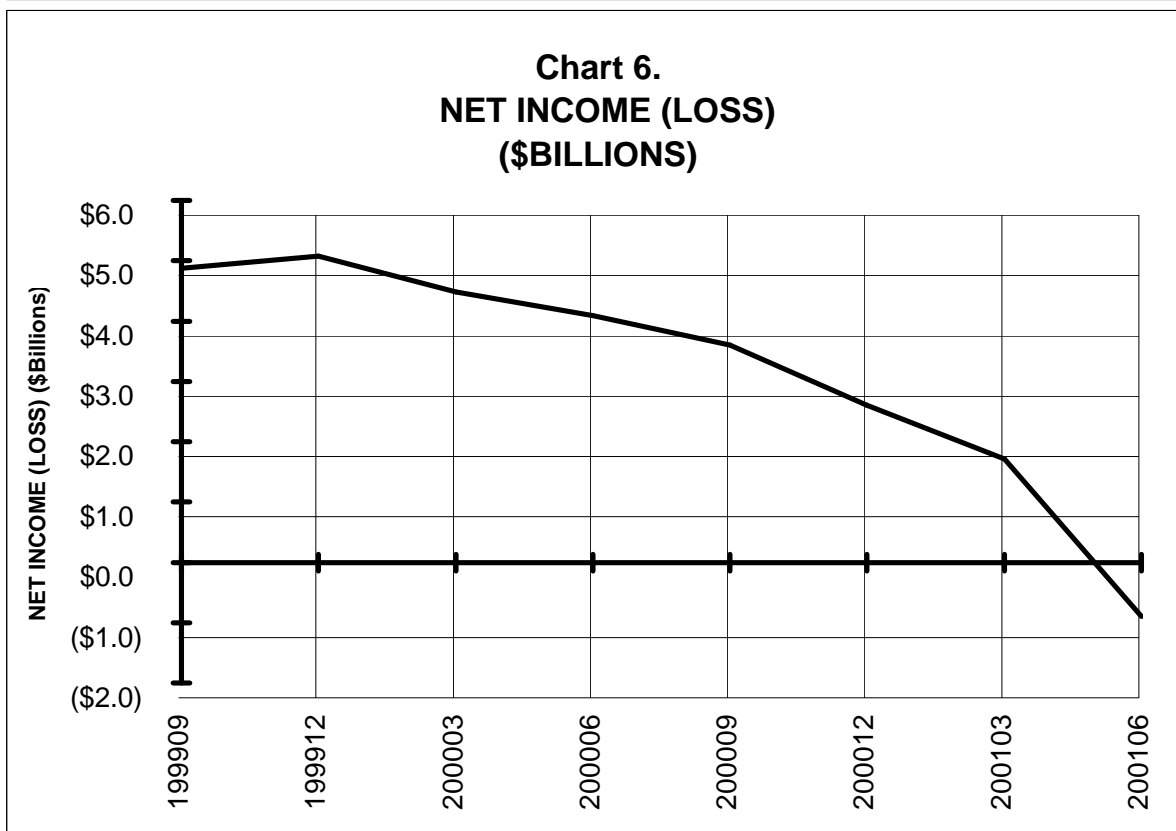
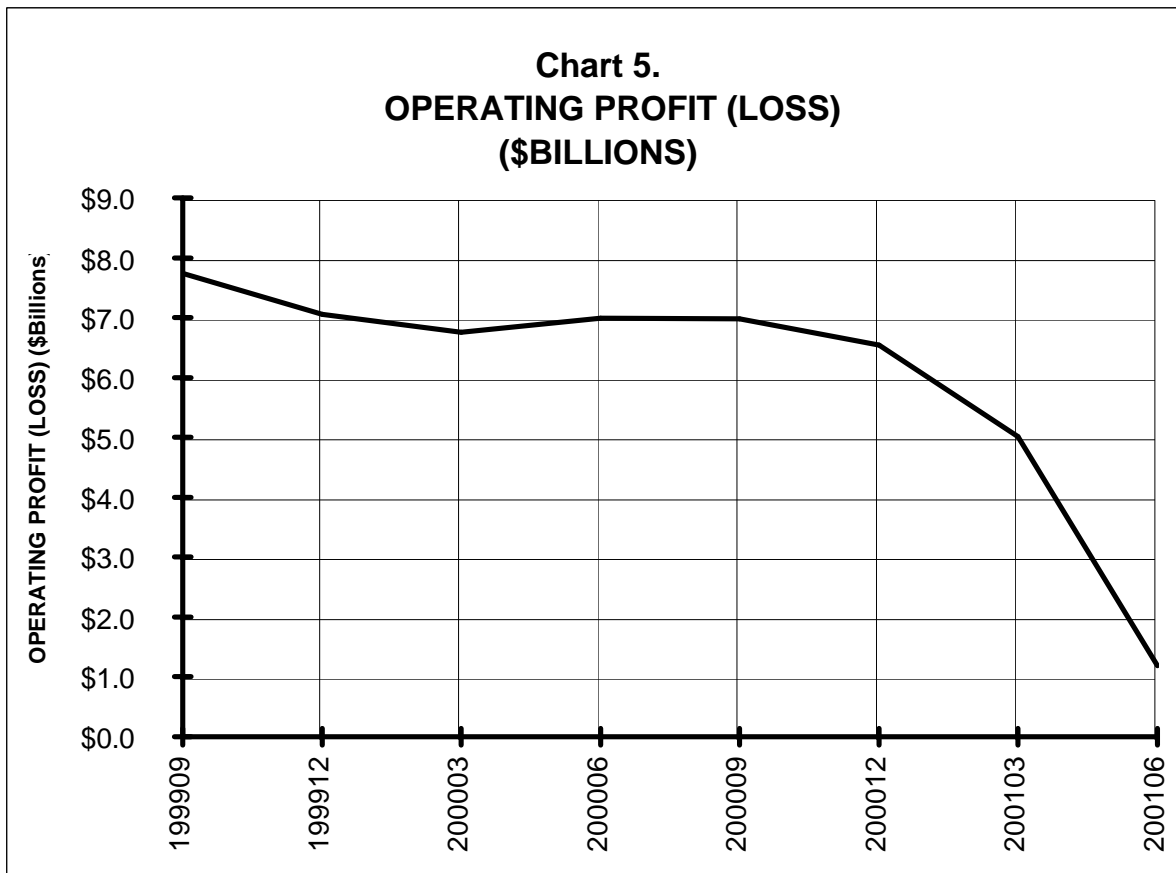
**Chart 3.**  
**OPERATING PROFIT (LOSS)**  
**(\$BILLIONS)**



**Chart 4.**  
**NET INCOME (LOSS)**  
**(\$BILLIONS)**

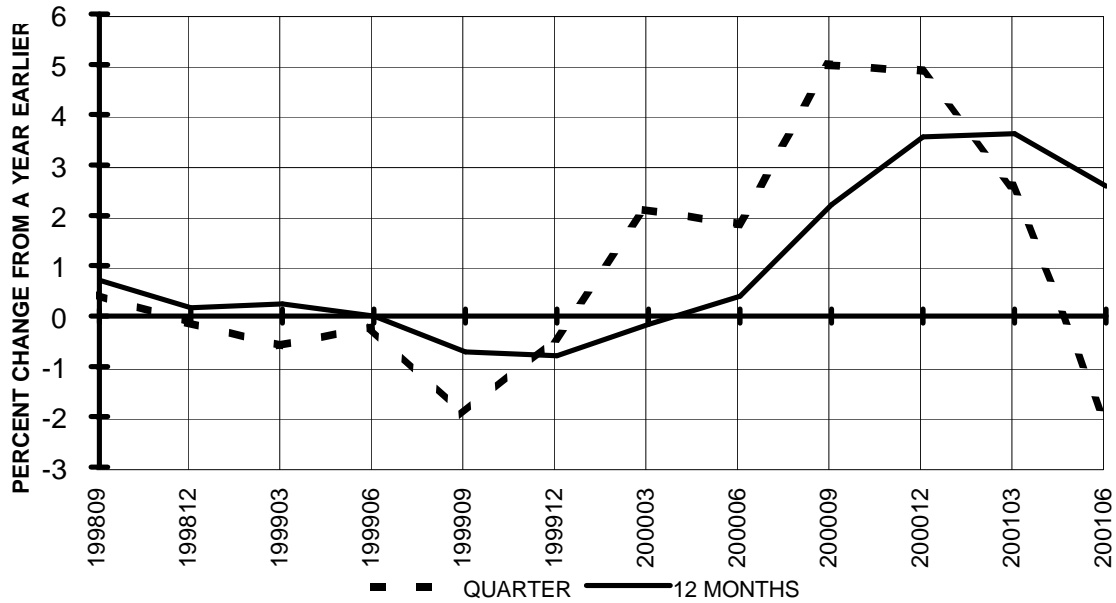


**TOTAL ALL MAJORS (SYSTEM)  
BY 12-MONTH ENDING PERIODS**

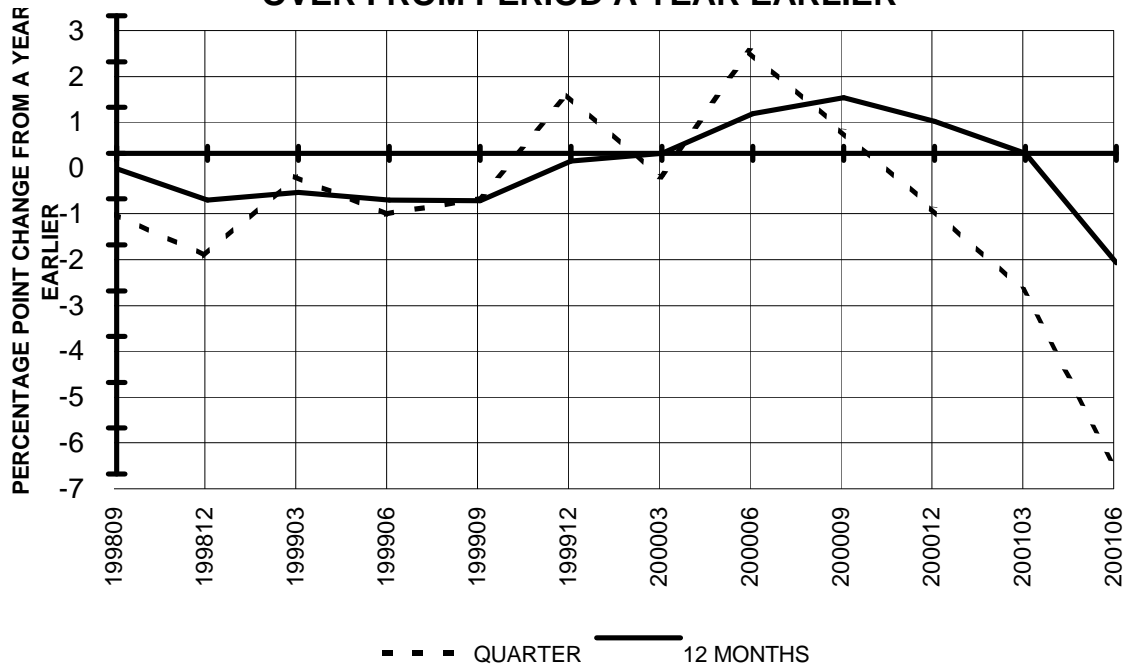


# **TOTAL ALL MAJORS (SYSTEM)** **QUARTERLY AND 12-MONTH BASIS**

**Chart 7.**  
**OPERATING REVENUE PER REVENUE TON-MILE**  
**PERCENT CHANGE FROM SAME PERIOD A YEAR**  
**EARLIER**

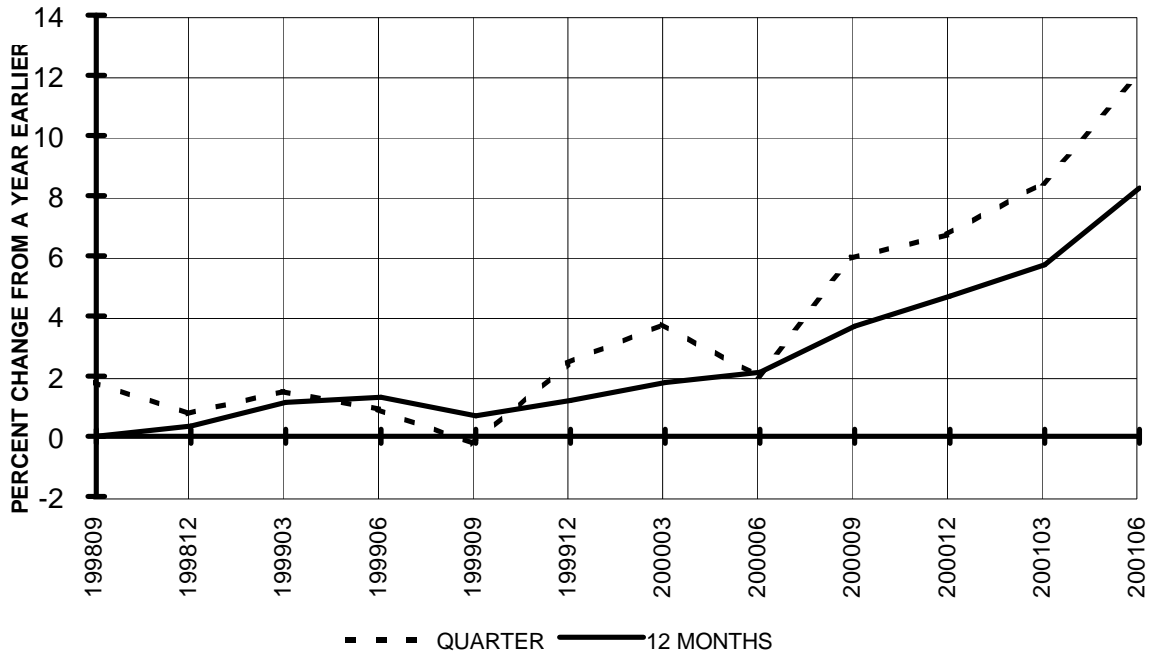


**Chart 8.**  
**TON LOAD FACTOR PERCENTAGE POINT CHANGE**  
**OVER FROM PERIOD A YEAR EARLIER**

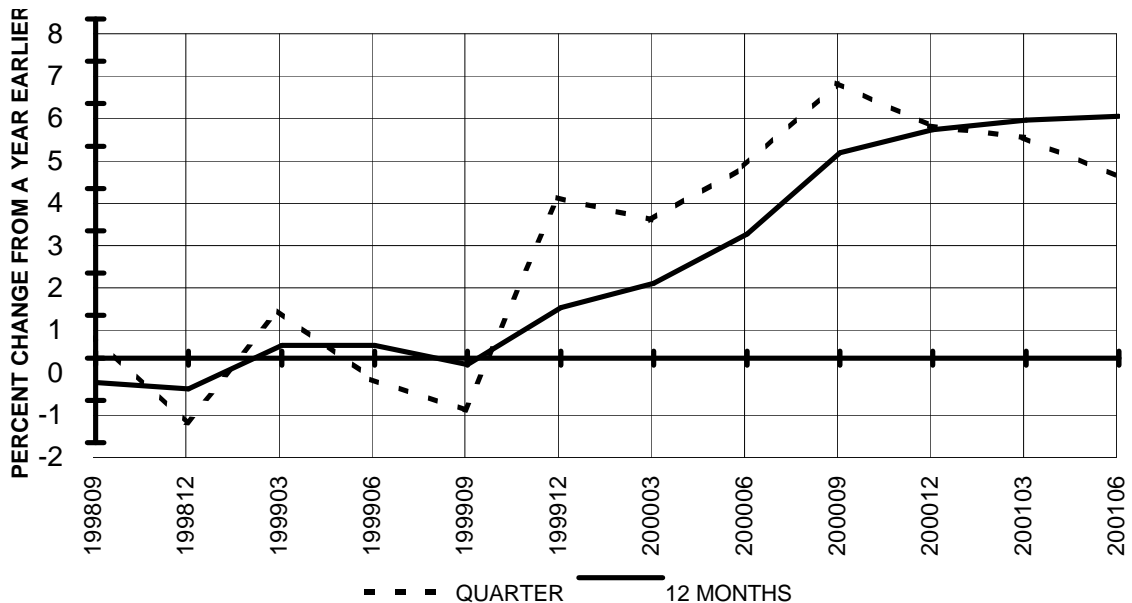


# **TOTAL ALL MAJORS (SYSTEM)** **QUARTERLY AND 12-MONTH BASIS**

**Chart 9.**  
**OPERATING EXPENSE PER REVENUE TON-MILE**  
**PERCENT CHANGE FROM SAME PERIOD A YEAR**  
**EARLIER**



**Chart 10.**  
**OPERATING EXPENSE PER AVAILABLE TON-MILE**  
**PERCENT CHANGE FROM SAME PERIOD A YEAR**  
**EARLIER**



**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**TOTAL PASSENGER MAJORS 1/**

**QUARTERLY RESULTS**

- For the quarter ended June 2001, the U.S. economic slowdown and the continued rise in fuel expenses resulted in the group experiencing its worst operating and net results ever for any second quarter, and its first second quarter operating and net losses since 1992.
- Six of the ten passenger majors reported an operating loss, and eight of the ten reported a net loss. Many individual carriers reported their first operating and/or net losses for any second quarter since the 1991-93 recession. The only year-to-year improvements among the group were reported by Alaska, which saw improvement in both operating and net results, and American Trans Air, which managed a small gain in net income.
- For the group, operating expenses jumped 10.3 percent, while operating revenues declined 4.7 percent, resulting in operating profit tumbling \$3.53 billion to a loss of \$724.4 million. American alone fell \$1.15 billion and United dropped \$1 billion.
- Total fuel expense jumped 12.9 percent (\$386.2 million) due to the continued climb in unit fuel prices, up 12.2 percent to an average exceeding 80 cents per gallon. Fuel consumption rose only 0.6 percent.
- Net income plunged \$2.39 billion to a loss of \$729.2 million

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR 2000	THIS YEAR 2001	\$ Change	LAST YEAR 2000	THIS YEAR 2001	\$ Change
March	714.9	-858.5	-1,573.4	33.3	-955.6	-988.9
June	2,803.9	-724.4	-3,528.3	1,656.4	-729.2	-2,385.6
Sept.	1,943.8	0.0	-	743.2	0.0	-
Dec.	35.7	0.0	-	-297.3	0.0	-

- RPM traffic dipped 0.9 percent while ASM capacity rose 3 percent, causing the passenger load factor to fall 2.9 percentage points to 73.5 percent. America West was the only major not to experience a decline.
- Except for American Eagle, all majors showed a drop in passenger (RPM) yield, which for the group fell 6 percent to 12.6 cents.
- A small gain in Latin net results was the only bright spot as all other entity operating and net results fell deeply into the red. The domestic entity was by the far most dominant, however, with operating results dropping \$1.4 billion to a \$605.1 million loss, and net results falling \$947.3 million to a loss of \$756.9 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			PAX. L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RPMs (Sch. Svc.)			ASMs (Sch. Svc.)			
	2000	2001	\$ Change	2000	2001	\$ Change	2000	2001	Change %	2000	2001	Change %	
Domestic	804.2	-605.1	-1,409.3	190.3	-756.9	-947.3	108.8	109.2	0.4	160.9	162.4	0.9	67.3%
Int'l	-89.3	-253.4	-164.1	-157.0	-198.6	-41.6	39.0	41.5	6.3	54.7	57.9	5.9	71.6%
Atlantic	-130.2	-142.5	-12.3	-114.4	-133.7	-19.3	17.0	18.2	7.3	24.0	26.1	8.5	69.9%
Latin	74.4	67.0	-7.4	32.8	62.2	29.4	9.0	9.6	6.1	13.0	13.6	4.3	70.5%
Pacific	-33.6	-177.9	-144.3	-75.4	-127.2	-51.8	13.0	13.7	5.2	17.6	18.2	3.4	75.0%
System	714.9	-858.5	-1,573.4	33.3	-955.6	-988.9	147.8	150.7	2.0	215.5	220.2	2.2	68.4%

- The operating profit margin fell from a positive 11 percent a year ago to a negative 3 percent, a turn of 14 percentage points to the downside.

**12-MONTH RESULTS**

- Operating expense growth, up 10.5 percent, more than doubled operating revenue growth, up 4 percent, resulting in a sharp deterioration in operating profit of \$5.54 billion, but it still remained positive at \$396.6 million. United, down \$2.7 billion, and American, down \$1.4 billion, accounted for much of the decline although all majors—excluding Continental, Southwest, and Trans World—contributed to the decline.
- Net income fell into the red, down \$4.8 billion to a \$1.2 billion loss.
- The passenger load factor dipped 0.1 percentage points to 72.1 percent.
- Passenger (RPM) yield rose 1.3 percent to 13.15 cents.

1/ American Trans Air and American Eagle became major air carriers effective January 1, 2000. For comparison purposes, all financial and traffic results for prior periods have been revised to reflect the inclusion of these two carriers.

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	24,260.0	25,446.9	97,609.6	98,796.5	98,090.4	96,198.9	93,892.5
2	Operating Expenses	24,984.4	22,642.9	97,213.1	94,871.5	92,592.0	90,362.4	87,954.2
3	Operating Profit (Loss)	-724.4	2,803.9	396.6	3,924.9	5,498.4	5,836.5	5,938.3
4	Net Income (Loss)	-729.2	1,656.4	-1,238.9	1,146.7	2,135.6	3,009.2	3,578.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	169.52	171.04	653.15	654.67	651.79	646.16	637.85
6	ASMs - Scheduled Rev. Svc.	230.51	223.73	906.42	899.64	894.93	889.72	883.55
7	Overall RTMs (All Svc.)	19.74	20.21	77.04	77.51	78.51	78.04	77.17
8	Overall ATMs (All Svc.)	34.88	33.41	136.09	134.62	133.68	132.39	130.89
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	122.9	125.9	126.7	127.5	124.9	123.3	121.7
10	Operating Expense per RTM	126.6	112.0	126.2	122.4	117.9	115.8	114.0
11	Operating Profit (Loss) per RTM	-3.7	13.9	0.5	5.1	7.0	7.5	7.7
12	Operating Expense per ATM	71.6	67.8	71.4	70.5	69.3	68.3	67.2
13	Passenger Revenue per RPM	12.60	13.41	13.15	13.36	13.33	13.16	12.98
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.54	1.59	1.60	1.62	1.63
15	Times Interest Earned	*	*	0.32	2.37	3.56	4.45	5.00
16	Current Assets to Current Liabilities	*	*	0.63	0.66	0.67	0.67	0.66
17	No. of Days Cash Coverage of Cash Exp.	*	*	34.9	38.5	39.6	40.0	42.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.0	11.0	0.4	4.0	5.6	6.1	6.3
19	Net Income to Stockholders Equity	*	*	-4.0	3.7	6.9	9.7	11.7
20	Corporate Return on Investment	*	*	1.0	4.7	6.4	7.9	9.1
21	Debt to Total Investment	*	*	54.2	53.5	52.7	47.6	48.1
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.5	76.4	72.1	72.8	72.8	72.6	72.2
23	Breakeven	76.1	67.1	73.2	70.9	69.4	69.0	68.7
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	463,636	467,682	455,297	456,308	451,813	447,230	442,501
25	Overall RTM's per Employee (000)	42.6	43.2	169.2	169.9	173.8	174.5	174.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.7	10.7	4.0	8.1	9.5	9.0	7.8
27	Operating Expenses (%)	10.3	11.0	10.5	10.7	10.7	10.7	9.7
28	Operating Profit (Loss) (in Millions \$)	-3,528.3	213.5	-5,541.7	-1,799.8	-497.9	-840.1	-1,024.5
29	Net Income (Loss)(in Millions \$)	-2,385.6	-423.3	-4,817.6	-2,855.3	-2,409.2	-1,455.4	-875.8
30	RPMs (Sch. Svc.) (%)	-0.9	8.6	2.4	4.9	5.7	6.0	6.4
31	ASMs (Sch. Svc.) (%)	3.0	3.8	2.6	2.8	3.6	4.0	5.1
32	Operating Revenues per RTM (%)	-2.4	1.6	4.1	5.3	2.3	1.0	-1.0
33	Operating Expense per RTM (%)	13.0	1.9	10.7	7.8	3.5	2.6	0.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.0	4.8	1.3	4.2	4.9	3.8	2.0

**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**DOMESTIC OPERATIONS**  
**TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	18,479.2	19,628.2	74,243.3	75,392.3	75,098.8	73,759.8	72,268.8
2	Operating Expenses	19,100.0	17,193.8	74,129.5	72,223.3	70,520.5	68,933.9	67,343.5
3	Operating Profit (Loss)	-620.7	2,434.4	113.8	3,169.0	4,578.3	4,825.9	4,925.3
4	Net Income (Loss)	-628.7	1,455.2	-1,184.7	899.3	1,846.5	2,638.7	3,145.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	121.44	123.44	468.92	470.92	470.50	468.04	463.56
6	ASMs - Scheduled Rev. Svc.	167.87	163.68	662.83	658.64	657.13	655.93	653.16
7	Overall RTMs (All Svc.)	13.17	13.47	51.05	51.35	52.54	52.40	52.04
8	Overall ATMs (All Svc.)	23.34	22.40	91.37	90.43	90.07	89.57	88.75
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	140.3	145.8	145.4	146.8	142.9	140.8	138.9
10	Operating Expense per RTM	145.1	127.7	145.2	140.6	134.2	131.5	129.4
11	Operating Profit (Loss) per RTM	-4.7	18.1	0.2	6.2	8.7	9.2	9.5
12	Operating Expense per ATM	81.8	76.7	81.1	79.9	78.3	77.0	75.9
13	Passenger Revenue per RPM	13.62	14.56	14.17	14.41	14.38	14.17	13.99
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-3.4	12.4	0.2	4.2	6.1	6.5	6.8
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	0.5	4.9	6.9	8.8	10.1
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	72.3	75.4	70.7	71.5	71.6	71.4	71.0
23	Breakeven	74.2	64.9	71.5	69.2	67.6	67.3	67.0
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.9	9.7	2.7	6.9	8.6	8.3	7.5
27	Operating Expenses (%)	11.1	10.5	10.1	9.9	10.2	10.9	10.8
28	Operating Profit (Loss) (in Millions \$)	-3,055.1	96.9	-4,811.5	-1,659.3	-578.4	-1,133.7	-1,538.5
29	Net Income (Loss)(in Millions \$)	-2,083.9	-327.1	-4,330.1	-2,573.2	-2,120.0	-1,386.0	-970.9
30	RPMs (Sch. Svc.) (%)	-1.6	7.4	1.2	3.5	4.8	5.6	6.0
31	ASMs (Sch. Svc.) (%)	2.6	2.8	1.5	1.5	2.8	3.9	5.5
32	Operating Revenues per RTM (%)	-3.8	2.1	4.7	6.4	2.1	0.8	-0.9
33	Operating Expense per RTM (%)	13.6	2.9	12.2	9.3	3.5	3.1	2.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.5	4.9	1.3	4.4	5.0	3.7	2.1

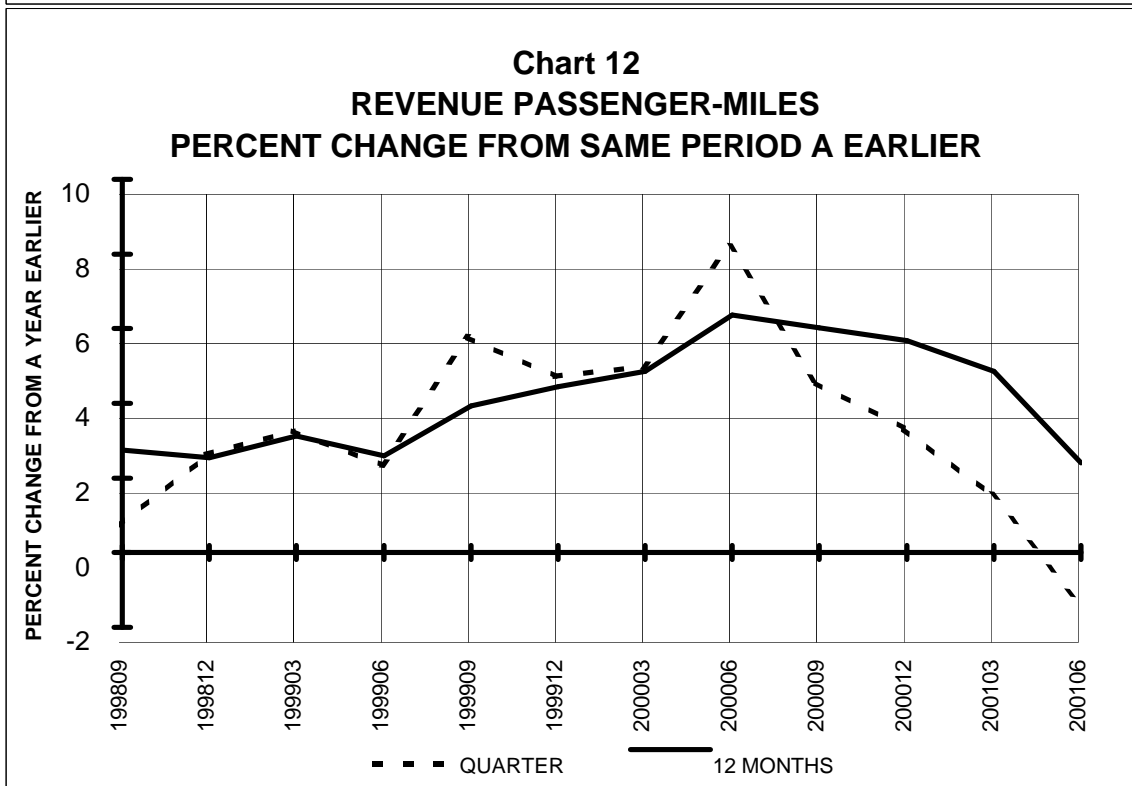
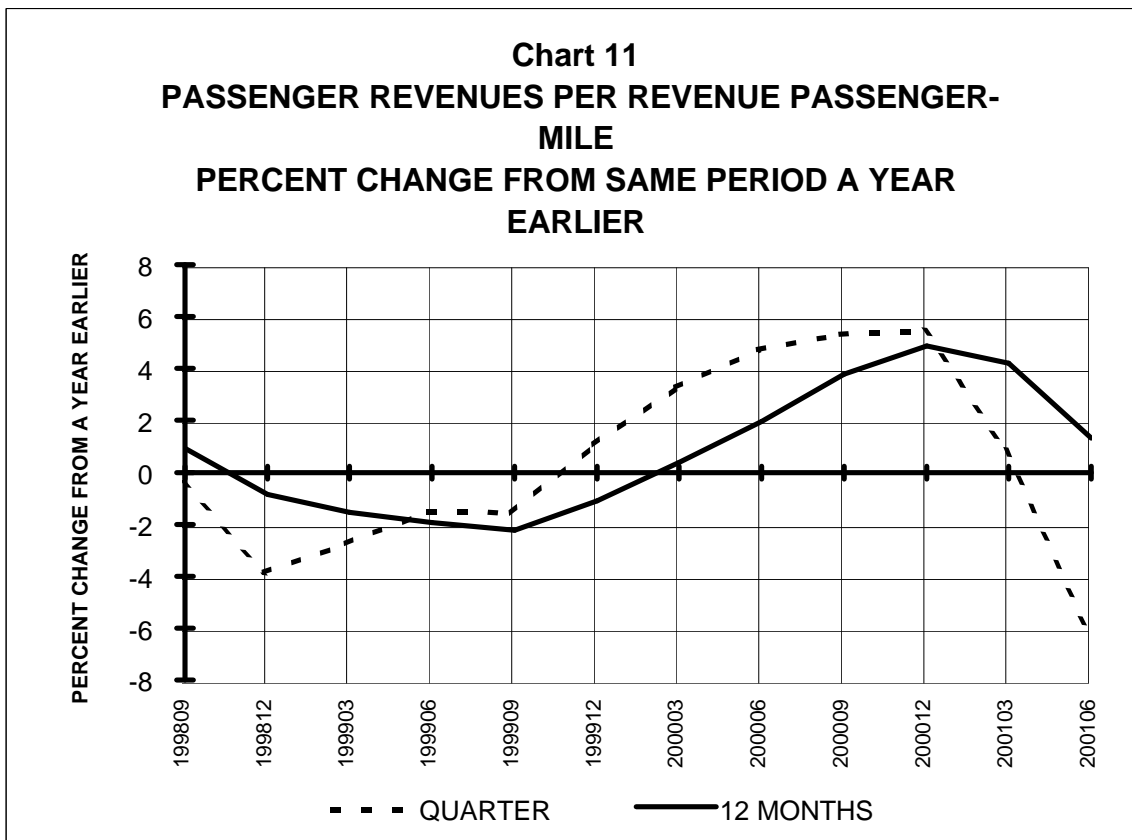
**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
INTERNATIONAL OPERATIONS  
TOTAL PASSENGER MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	5,780.8	5,818.6	23,366.3	23,404.2	22,991.5	22,439.1	21,623.7
2	Operating Expenses	5,884.5	5,449.1	23,083.6	22,648.3	22,071.5	21,428.5	20,610.7
3	Operating Profit (Loss)	-103.7	369.5	282.7	755.9	920.0	1,010.6	1,013.0
4	Net Income (Loss)	-100.4	201.2	-54.2	247.5	289.1	370.5	433.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	48.08	47.60	184.23	183.75	181.29	178.11	174.29
6	ASMs - Scheduled Rev. Svc.	62.63	60.05	243.59	241.00	237.79	233.78	230.39
7	Overall RTMs (All Svc.)	6.57	6.74	25.99	26.16	25.98	25.63	25.12
8	Overall ATMs (All Svc.)	11.54	11.01	44.71	44.18	43.60	42.82	42.13
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	88.0	86.3	89.9	89.5	88.5	87.5	86.1
10	Operating Expense per RTM	89.6	80.8	88.8	86.6	85.0	83.6	82.0
11	Operating Profit (Loss) per RTM	-1.6	5.5	1.1	2.9	3.5	3.9	4.0
12	Operating Expense per ATM	51.0	49.5	51.6	51.3	50.6	50.0	48.9
13	Passenger Revenue per RPM	10.04	10.41	10.54	10.64	10.58	10.51	10.32
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.8	6.4	1.2	3.2	4.0	4.5	4.7
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	2.5	4.4	4.6	5.2	5.7
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	76.8	79.3	75.6	76.2	76.2	76.2	75.7
23	Breakeven	82.0	74.5	77.6	75.8	75.2	74.7	74.2
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

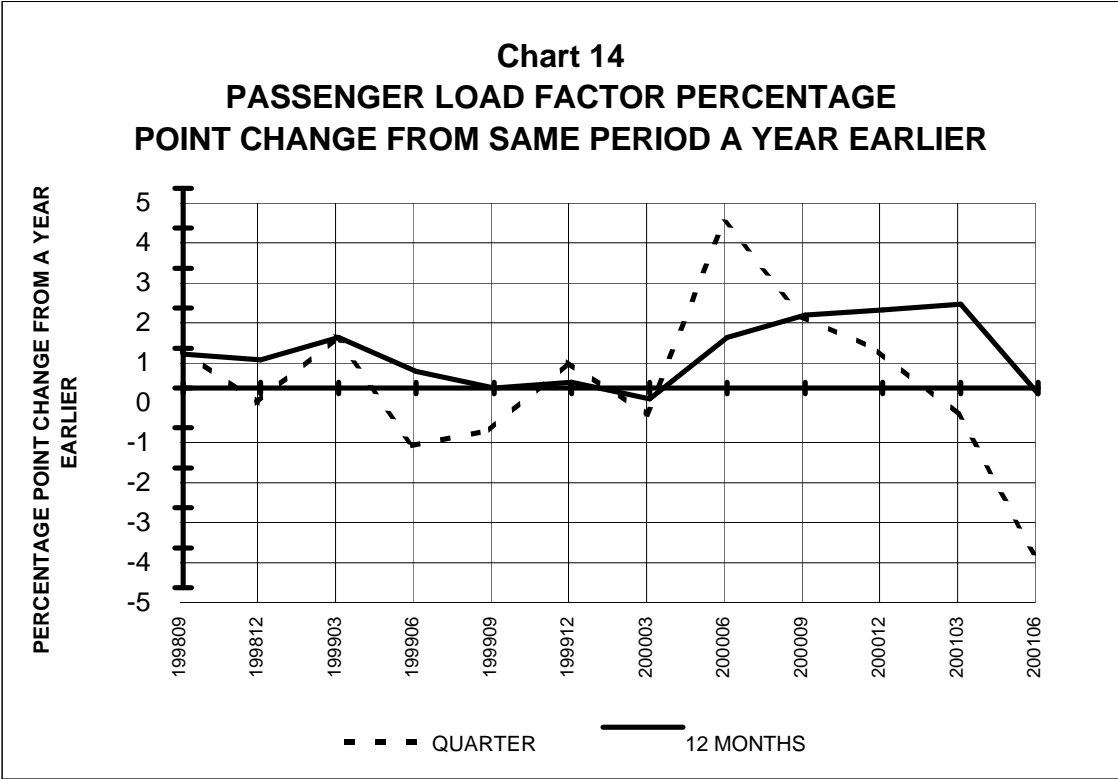
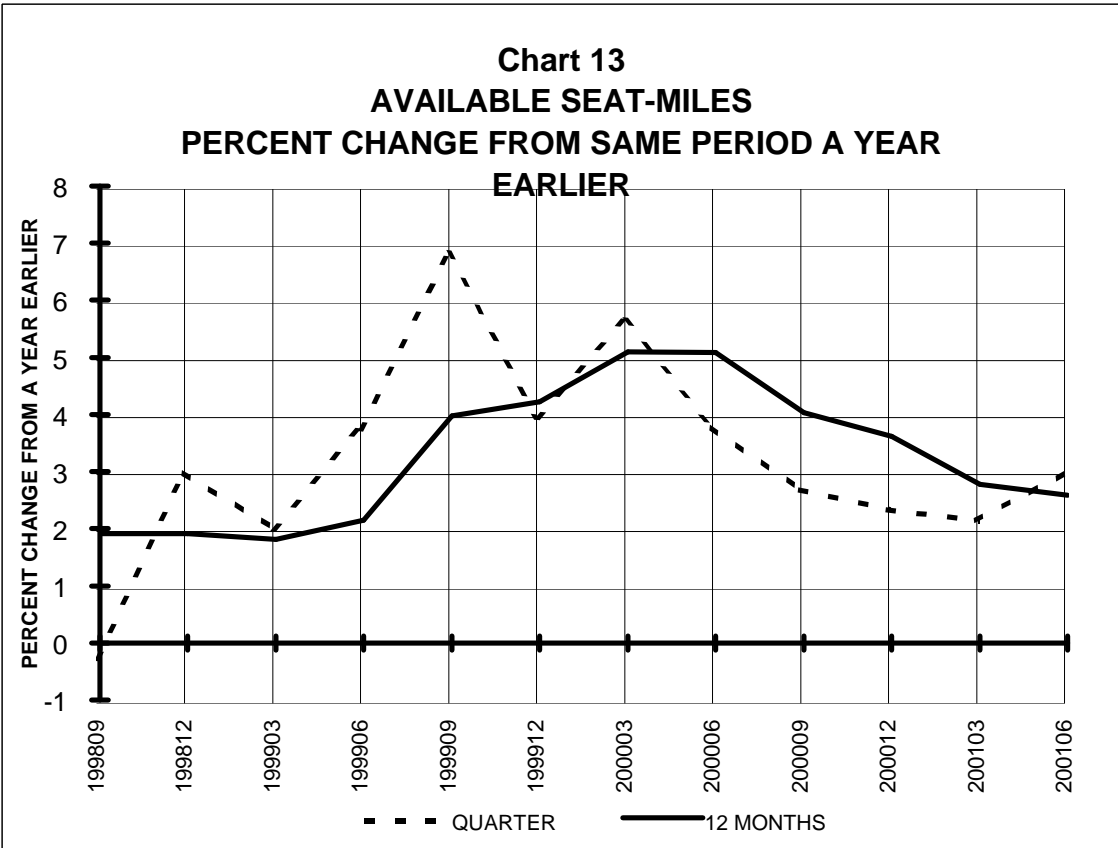
		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-0.7	14.3	8.1	12.0	12.5	11.3	8.9
27	Operating Expenses (%)	8.0	12.7	12.0	13.3	12.6	10.2	6.4
28	Operating Profit (Loss) (in Millions \$)	-473.2	116.6	-730.3	-140.5	80.4	293.6	514.0
29	Net Income (Loss)(in Millions \$)	-301.6	-96.2	-487.5	-282.0	-289.2	-69.4	95.1
30	RPMs (Sch. Svc.) (%)	1.0	11.7	5.7	8.5	8.1	7.3	7.3
31	ASMs (Sch. Svc.) (%)	4.3	6.8	5.7	6.4	5.8	4.4	4.0
32	Operating Revenues per RTM (%)	2.0	2.1	4.4	4.6	3.9	2.1	-0.8
33	Operating Expense per RTM (%)	10.9	0.6	8.3	5.7	4.0	1.2	-3.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-3.6	5.8	2.1	4.6	5.1	4.7	2.1



**TOTAL PASSENGER MAJORS (SYSTEM)**  
**QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

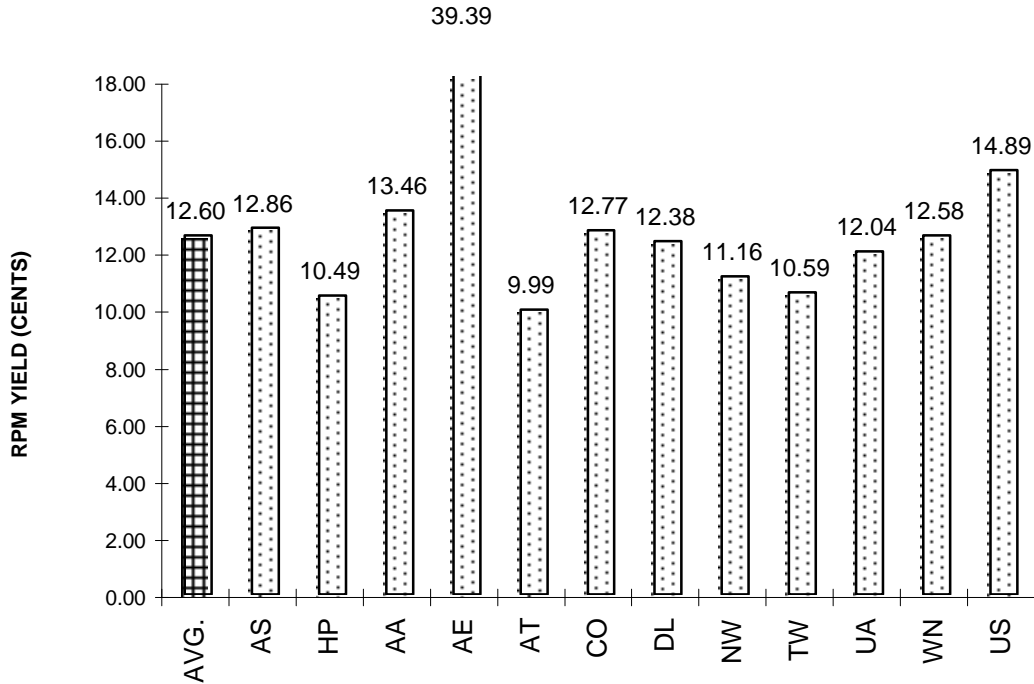


# **TOTAL PASSENGER MAJORS (SYSTEM)** **QUARTERLY AND 12-MONTH BASIS (SCH. SVC.)**

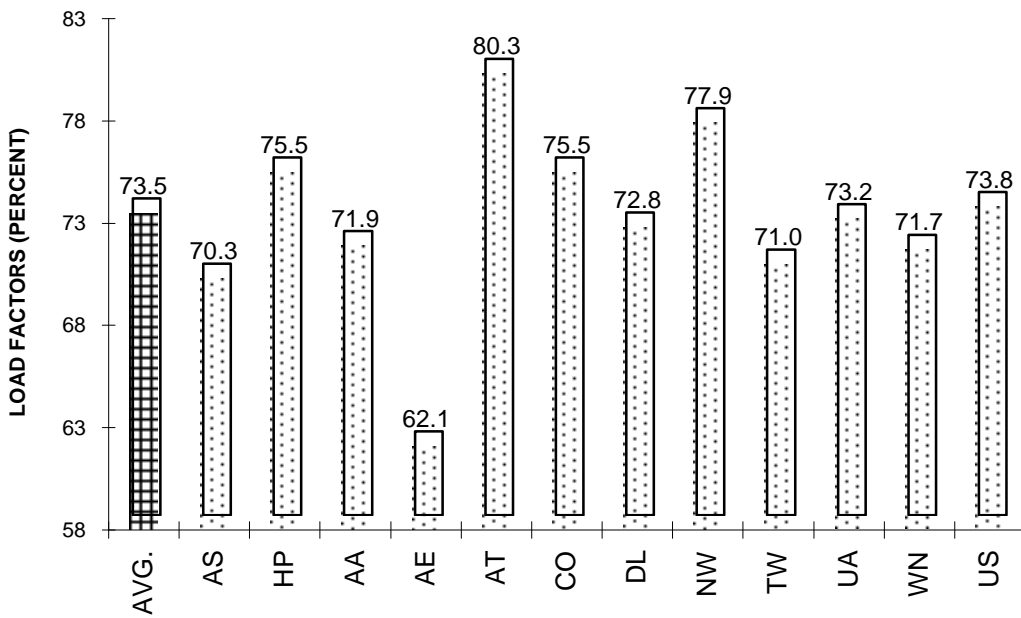


# **TOTAL PASSENGER MAJORS (SYSTEM) SECOND QUARTER 2001 (SCH. SVC.)**

**Chart 15  
PASSENGER (RPM) YIELD**



**Chart 16  
PASSENGER LOAD FACTOR**



**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
ALASKA AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	474.6	446.4	1,813.6	1,785.5	1,762.6	1,741.0	1,732.4
2	Operating Expenses	463.1	437.9	1,839.8	1,814.5	1,772.2	1,692.2	1,641.4
3	Operating Profit (Loss)	11.5	8.6	-26.2	-29.1	-9.6	48.8	91.0
4	Net Income (Loss)	4.8	-0.8	-22.0	-27.6	-12.5	25.3	56.7
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	3.29	3.05	12.30	12.06	11.98	11.91	11.95
6	ASMs - Scheduled Rev. Svc.	4.68	4.21	17.97	17.49	17.30	17.23	17.37
7	Overall RTMs (All Svc.)	0.38	0.32	1.33	1.27	1.27	1.26	1.27
8	Overall ATMs (All Svc.)	0.68	0.55	2.41	2.29	2.27	2.26	2.28
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	123.5	138.1	136.0	140.3	139.3	138.1	136.6
10	Operating Expense per RTM	120.6	135.5	137.9	142.5	140.0	134.3	129.5
11	Operating Profit (Loss) per RTM	3.0	2.6	-2.0	-2.3	-0.8	3.9	7.2
12	Operating Expense per ATM	68.5	79.2	76.2	79.2	78.1	74.7	71.9
13	Passenger Revenue per RPM	12.86	13.13	13.21	13.28	13.13	12.92	12.75
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.47	1.52	1.56	1.71	1.82
15	Times Interest Earned	*	*	0.09	0.00	0.77	4.04	8.11
16	Current Assets to Current Liabilities	*	*	1.07	1.12	1.24	0.84	0.75
17	No. of Days Cash Coverage of Cash Exp.	*	*	77.4	82.8	99.8	86.7	65.1
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	2.4	1.9	-1.4	-1.6	-0.5	2.8	5.3
19	Net Income to Stockholders Equity	*	*	-3.3	-4.2	-1.9	3.9	8.9
20	Corporate Return on Investment	*	*	0.9	0.1	1.0	4.4	7.5
21	Debt to Total Investment	*	*	50.3	47.4	49.0	44.5	38.9
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	70.3	72.4	68.5	68.9	69.3	69.1	68.8
23	Breakeven	70.9	73.4	72.3	72.9	72.7	70.1	68.0
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	9,599	8,582	9,176	8,921	8,687	8,524	8,455
25	Overall RTM's per Employee (000)	40.0	37.7	145.4	142.7	145.7	147.8	149.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.3	3.6	4.7	4.0	4.0	4.5	5.8
27	Operating Expenses (%)	5.8	16.7	12.1	14.9	16.7	14.9	14.0
28	Operating Profit (Loss) (in Millions \$)	2.9	-47.3	-117.2	-167.4	-186.3	-144.3	-105.6
29	Net Income (Loss)(in Millions \$)	5.6	-37.5	-78.7	-121.8	-131.9	-103.6	-64.0
30	RPMs (Sch. Svc.) (%)	7.9	2.4	2.9	1.5	1.8	2.0	2.9
31	ASMs (Sch. Svc.) (%)	11.2	-1.3	3.4	0.4	-0.1	0.1	1.0
32	Operating Revenues per RTM (%)	-10.6	1.8	-0.4	3.2	2.8	3.0	3.2
33	Operating Expense per RTM (%)	-11.0	14.7	6.5	13.9	15.3	13.3	11.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.1	3.5	3.6	5.1	4.4	3.9	4.1

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
AMERICA WEST AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	577.8	609.8	2,308.4	2,340.4	2,309.3	2,299.6	2,255.0
2	Operating Expenses	633.6	560.5	2,463.4	2,390.3	2,322.1	2,203.3	2,118.9
3	Operating Profit (Loss)	-55.8	49.3	-155.0	-49.9	-12.7	96.3	136.1
4	Net Income (Loss)	-43.3	28.3	-100.7	-29.1	-0.5	71.9	94.0
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	5.20	5.03	19.83	19.66	19.10	18.91	18.55
6	ASMs - Scheduled Rev. Svc.	6.89	6.82	27.72	27.65	27.08	26.74	26.40
7	Overall RTMs (All Svc.)	0.54	0.52	2.07	2.05	1.99	1.98	1.94
8	Overall ATMs (All Svc.)	0.90	0.88	3.60	3.57	3.48	3.43	3.38
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	106.6	116.4	111.7	114.2	115.9	116.3	116.0
10	Operating Expense per RTM	116.9	107.0	119.2	116.7	116.5	111.5	109.0
11	Operating Profit (Loss) per RTM	-10.3	9.4	-7.5	-2.4	-0.6	4.9	7.0
12	Operating Expense per ATM	70.3	64.0	68.5	66.9	66.6	64.2	62.8
13	Passenger Revenue per RPM	10.49	11.44	11.01	11.26	11.39	11.40	11.39
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.07	2.07	2.04	2.06	2.02
15	Times Interest Earned	*	*	-4.69	-0.61	1.66	6.69	7.37
16	Current Assets to Current Liabilities	*	*	1.00	1.08	1.08	1.09	1.10
17	No. of Days Cash Coverage of Cash Exp.	*	*	24.8	20.7	30.8	22.2	34.3
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-9.7	8.1	-6.7	-2.1	-0.6	4.2	6.0
19	Net Income to Stockholders Equity	*	*	-11.4	-3.2	-0.1	8.0	10.7
20	Corporate Return on Investment	*	*	-6.7	-0.4	2.0	8.5	10.7
21	Debt to Total Investment	*	*	19.2	20.5	25.7	17.9	20.2
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	75.5	73.7	71.6	71.1	70.5	70.7	70.3
23	Breakeven	86.1	68.4	79.1	74.6	72.7	69.0	67.1
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	11,248	10,321	11,065	10,833	10,518	10,262	10,100
25	Overall RTM's per Employee (000)	48.2	50.8	186.8	189.1	189.4	192.6	192.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-5.3	9.2	2.4	6.2	6.7	9.3	9.8
27	Operating Expenses (%)	13.0	15.8	16.3	17.0	18.1	15.5	14.2
28	Operating Profit (Loss) (in Millions \$)	-105.1	-24.8	-291.1	-210.8	-210.6	-100.3	-63.1
29	Net Income (Loss)(in Millions \$)	-71.6	-13.2	-194.7	-136.3	-117.1	-35.0	-10.9
30	RPMs (Sch. Svc.) (%)	3.5	12.4	6.9	9.3	8.0	10.0	9.5
31	ASMs (Sch. Svc.) (%)	1.0	5.1	5.0	6.1	4.7	4.8	5.1
32	Operating Revenues per RTM (%)	-8.4	-1.7	-3.7	-1.9	-0.1	0.3	1.0
33	Operating Expense per RTM (%)	9.3	4.2	9.4	8.2	10.5	6.1	5.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-8.3	-2.3	-3.3	-1.7	-0.4	-0.4	0.4

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
AMERICAN AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	4,403.2	4,610.2	18,085.7	18,292.7	18,117.1	17,779.8	17,198.6
2	Operating Expenses	5,084.7	4,140.2	18,175.1	17,230.7	16,874.1	16,363.8	15,917.5
3	Operating Profit (Loss)	-681.5	469.9	-89.4	1,062.0	1,243.0	1,416.0	1,281.1
4	Net Income (Loss)	-437.1	323.6	-142.5	618.2	778.0	900.6	806.9
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	29.49	30.43	115.00	115.95	116.51	116.51	114.76
6	ASMs - Scheduled Rev. Svc.	40.99	40.07	160.79	159.87	160.91	162.25	162.35
7	Overall RTMs (All Svc.)	3.53	3.62	13.81	13.89	13.95	13.97	13.89
8	Overall ATMs (All Svc.)	6.86	6.43	26.59	26.16	25.95	25.84	25.75
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	124.6	127.4	131.0	131.7	129.9	127.2	123.8
10	Operating Expense per RTM	143.9	114.4	131.6	124.0	121.0	117.1	114.6
11	Operating Profit (Loss) per RTM	-19.3	13.0	-0.6	7.6	8.9	10.1	9.2
12	Operating Expense per ATM	74.1	64.4	68.3	65.9	65.0	63.3	61.8
13	Passenger Revenue per RPM	13.46	13.75	14.19	14.26	14.05	13.79	13.52
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.61	1.64	1.62	1.60	1.60
15	Times Interest Earned	*	*	-1.67	53.14	-190.98	-52.92	-84.99
16	Current Assets to Current Liabilities	*	*	0.64	0.65	0.65	0.85	0.85
17	No. of Days Cash Coverage of Cash Exp.	*	*	30.2	32.6	37.8	54.0	57.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-15.5	10.2	-0.5	5.8	6.9	8.0	7.4
19	Net Income to Stockholders Equity	*	*	-2.1	8.7	10.7	12.2	11.3
20	Corporate Return on Investment	*	*	-0.8	5.7	6.9	7.8	7.4
21	Debt to Total Investment	*	*	46.9	41.0	38.8	32.7	33.8
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.9	75.9	71.5	72.5	72.4	71.8	70.7
23	Breakeven	78.1	69.4	72.3	70.2	69.3	67.5	67.0
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	87,243	83,123	86,004	84,974	83,855	82,772	81,612
25	Overall RTM's per Employee (000)	40.5	43.5	160.6	163.5	166.3	168.8	170.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.5	12.9	5.2	9.7	12.6	12.4	8.5
27	Operating Expenses (%)	22.8	10.9	14.2	11.1	11.9	10.5	8.7
28	Operating Profit (Loss) (in Millions \$)	-1,151.4	119.1	-1,370.5	-100.0	240.1	394.3	85.3
29	Net Income (Loss)(in Millions \$)	-760.7	109.7	-949.4	-79.0	152.2	265.2	48.4
30	RPMs (Sch. Svc.) (%)	-3.1	7.9	0.2	3.0	5.8	6.8	5.9
31	ASMs (Sch. Svc.) (%)	2.3	1.9	-1.0	-1.1	1.7	3.9	5.1
32	Operating Revenues per RTM (%)	-2.2	4.0	5.8	7.5	7.1	4.8	-0.2
33	Operating Expense per RTM (%)	25.8	2.2	14.8	8.8	6.3	3.1	-0.1
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-2.1	6.0	5.0	7.1	7.1	6.2	3.1

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
AMERICAN EAGLE AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	370.9	314.4	1,343.3	1,286.9	1,245.8	1,196.0	1,135.2
2	Operating Expenses	452.1	287.1	1,395.3	1,230.3	1,183.7	1,113.5	1,068.9
3	Operating Profit (Loss)	-81.3	27.3	-52.0	56.6	62.1	82.5	66.2
4	Net Income (Loss)	-65.6	4.7	-93.5	-23.3	-21.5	1.7	4.4
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	0.91	0.81	3.29	3.18	3.14	3.07	2.94
6	ASMs - Scheduled Rev. Svc.	1.47	1.26	5.54	5.33	5.15	4.99	4.78
7	Overall RTMs (All Svc.)	0.09	0.08	0.33	0.32	0.32	0.31	0.30
8	Overall ATMs (All Svc.)	0.17	0.14	0.64	0.61	0.59	0.57	0.54
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	405.3	387.1	407.2	402.7	394.4	387.7	384.0
10	Operating Expense per RTM	494.1	353.5	423.0	384.9	374.8	361.0	361.6
11	Operating Profit (Loss) per RTM	-88.8	33.6	-15.8	17.7	19.7	26.8	22.4
12	Operating Expense per ATM	266.6	199.1	219.5	201.6	201.4	195.2	196.5
13	Passenger Revenue per RPM	39.39	37.41	39.43	38.93	38.14	37.45	37.05
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.51	0.50	0.56	0.63	0.73
15	Times Interest Earned	*	*	-1.58	0.59	0.69	1.52	1.57
16	Current Assets to Current Liabilities	*	*	0.81	0.88	1.03	1.30	1.30
17	No. of Days Cash Coverage of Cash Exp.	*	*	29.9	43.4	65.9	78.6	76.8
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-21.9	8.7	-3.9	4.4	5.0	6.9	5.8
19	Net Income to Stockholders Equity	*	*	-37.9	-8.9	-8.0	0.6	1.7
20	Corporate Return on Investment	*	*	-1.6	0.9	1.0	2.1	2.4
21	Debt to Total Investment	*	*	93.2	90.7	90.0	89.3	89.4
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	62.1	64.2	59.3	59.7	61.1	61.5	61.6
23	Breakeven	77.7	57.8	61.9	56.7	57.6	56.6	57.4
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	8,456	31,578	8,192	13,972	13,796	13,599	13,400
25	Overall RTM's per Employee (000)	10.8	2.6	40.3	22.9	22.9	22.7	22.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	18.0	19.0	18.3	18.6	20.2	17.5	11.4
27	Operating Expenses (%)	57.5	17.4	30.5	19.9	20.5	15.9	13.7
28	Operating Profit (Loss) (in Millions \$)	-108.6	7.7	-118.2	-1.9	7.7	25.2	-13.0
29	Net Income (Loss)(in Millions \$)	-70.3	-3.9	-97.9	-31.5	-39.9	-19.6	-31.0
30	RPMs (Sch. Svc.) (%)	12.7	16.4	11.7	12.6	16.3	15.6	12.7
31	ASMs (Sch. Svc.) (%)	16.5	18.5	15.9	16.3	17.8	16.9	15.3
32	Operating Revenues per RTM (%)	4.7	2.2	6.0	5.5	3.4	1.5	-1.2
33	Operating Expense per RTM (%)	39.8	0.8	17.0	6.6	3.7	0.2	0.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	5.3	2.8	6.4	5.8	3.9	2.1	-0.8

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
AMERICAN TRANS AIR**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	327.1	307.1	1,221.9	1,202.0	1,182.1	1,144.2	1,096.5
2	Operating Expenses	308.8	284.0	1,212.5	1,187.6	1,162.8	1,098.5	1,037.7
3	Operating Profit (Loss)	18.3	23.2	9.4	14.3	19.3	45.7	58.7
4	Net Income (Loss)	6.9	10.8	-15.5	-11.7	-5.6	11.3	22.6
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	2.25	2.00	8.02	7.77	7.49	7.27	7.29
6	ASMs - Scheduled Rev. Svc.	2.81	2.45	10.53	10.18	9.80	9.39	9.36
7	Overall RTMs (All Svc.)	0.28	0.31	1.14	1.17	1.17	1.16	1.12
8	Overall ATMs (All Svc.)	0.39	0.42	1.56	1.59	1.61	1.58	1.53
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	114.9	98.4	106.7	102.5	101.1	99.0	97.6
10	Operating Expense per RTM	108.5	91.0	105.9	101.3	99.4	95.1	92.4
11	Operating Profit (Loss) per RTM	6.4	7.4	0.8	1.2	1.7	4.0	5.2
12	Operating Expense per ATM	79.9	68.1	77.9	74.8	72.4	69.6	67.9
13	Passenger Revenue per RPM	9.99	10.02	9.95	9.96	10.02	9.88	9.55
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	2.27	2.35	2.44	2.54	2.60
15	Times Interest Earned	*	*	0.28	0.52	0.83	2.13	2.96
16	Current Assets to Current Liabilities	*	*	0.59	0.60	0.63	0.90	0.92
17	No. of Days Cash Coverage of Cash Exp.	*	*	36.5	43.5	46.8	48.2	48.9
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	5.6	7.5	0.8	1.2	1.6	4.0	5.4
19	Net Income to Stockholders Equity	*	*	-15.1	-11.2	-5.2	10.5	22.6
20	Corporate Return on Investment	*	*	2.0	2.9	4.1	7.5	10.3
21	Debt to Total Investment	*	*	84.1	84.1	82.6	75.5	76.2
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	80.3	81.6	76.1	76.3	76.4	77.4	77.9
23	Breakeven	73.1	71.1	75.9	75.6	75.1	72.5	71.2
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	7,058	6,391	6,947	6,781	6,488	6,199	5,892
25	Overall RTM's per Employee (000)	40.3	48.8	164.8	172.9	180.3	186.4	190.7

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.5	21.7	11.4	15.4	18.1	17.5	18.0
27	Operating Expenses (%)	8.7	27.5	16.8	21.6	27.1	24.6	22.7
28	Operating Profit (Loss) (in Millions \$)	-4.9	-6.5	-49.3	-50.9	-67.0	-46.4	-24.9
29	Net Income (Loss)(in Millions \$)	-3.9	-6.1	-38.1	-40.5	-48.9	-38.7	-21.4
30	RPMs (Sch. Svc.) (%)	12.5	14.4	9.9	10.3	10.0	9.7	23.9
31	ASMs (Sch. Svc.) (%)	14.4	12.2	12.5	11.9	11.7	8.7	21.5
32	Operating Revenues per RTM (%)	16.8	2.0	9.3	5.6	6.0	5.7	4.8
33	Operating Expense per RTM (%)	19.2	6.9	14.6	11.3	14.0	12.1	9.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-0.3	6.5	4.2	6.2	1.1	-0.8	-9.3



**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
CONTINENTAL AIR LINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	2,330.4	2,449.6	9,457.1	9,576.3	9,449.2	9,201.4	8,892.3
2	Operating Expenses	2,225.5	2,219.6	8,927.8	8,921.9	8,860.0	8,750.3	8,521.2
3	Operating Profit (Loss)	104.9	230.0	529.3	654.4	589.1	451.1	371.0
4	Net Income (Loss)	37.5	133.4	213.7	309.7	308.1	418.8	381.3
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	16.45	16.40	63.52	63.48	63.53	63.16	62.17
6	ASMs - Scheduled Rev. Svc.	21.80	21.09	85.85	85.13	84.85	84.46	83.67
7	Overall RTMs (All Svc.)	1.86	1.92	7.32	7.37	7.40	7.38	7.26
8	Overall ATMs (All Svc.)	2.81	2.80	11.19	11.18	11.18	11.16	10.99
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	125.1	127.7	129.3	129.9	127.7	124.7	122.4
10	Operating Expense per RTM	119.4	115.7	122.0	121.0	119.8	118.6	117.3
11	Operating Profit (Loss) per RTM	5.6	12.0	7.2	8.9	8.0	6.1	5.1
12	Operating Expense per ATM	79.1	79.1	79.8	79.8	79.2	78.4	77.5
13	Passenger Revenue per RPM	12.77	13.24	13.18	13.31	13.11	12.82	12.49
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.82	1.87	1.85	1.81	1.75
15	Times Interest Earned	*	*	2.89	3.63	3.48	3.47	3.24
16	Current Assets to Current Liabilities	*	*	0.67	0.65	0.85	0.68	0.69
17	No. of Days Cash Coverage of Cash Exp.	*	*	40.2	40.1	60.1	50.4	59.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	4.5	9.4	5.6	6.8	6.2	4.9	4.2
19	Net Income to Stockholders Equity	*	*	14.2	20.2	19.1	24.9	22.6
20	Corporate Return on Investment	*	*	8.1	10.1	10.2	12.8	12.0
21	Debt to Total Investment	*	*	74.2	75.0	74.0	65.5	66.5
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	75.5	77.8	74.0	74.6	74.9	74.8	74.3
23	Breakeven	71.7	71.1	70.7	70.5	71.4	72.5	73.2
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	37,113	35,491	36,307	35,902	35,588	35,412	35,248
25	Overall RTM's per Employee (000)	50.2	54.1	201.5	205.3	207.9	208.3	206.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.9	15.8	6.4	11.9	12.7	11.6	9.0
27	Operating Expenses (%)	0.3	16.1	4.8	8.6	11.7	14.4	12.3
28	Operating Profit (Loss) (in Millions \$)	-125.1	26.3	158.3	309.7	140.0	-145.6	-201.0
29	Net Income (Loss)(in Millions \$)	-95.9	8.9	-167.6	-62.7	-141.5	56.8	62.4
30	RPMs (Sch. Svc.) (%)	0.3	10.8	2.2	4.8	6.8	8.7	8.6
31	ASMs (Sch. Svc.) (%)	3.4	6.1	2.6	3.2	4.8	6.1	6.7
32	Operating Revenues per RTM (%)	-2.0	2.8	5.6	7.0	5.1	1.4	-1.2
33	Operating Expense per RTM (%)	3.2	3.0	4.0	3.9	4.2	3.9	1.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-3.6	7.6	5.5	8.7	7.8	5.1	1.6

**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**SYSTEM OPERATIONS**  
**DELTA AIR LINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,711.0	3,973.5	15,031.9	15,294.4	15,320.9	15,179.6	14,983.6
2	Operating Expenses	3,687.1	3,396.0	14,526.7	14,235.6	13,861.5	13,879.8	13,837.7
3	Operating Profit (Loss)	23.9	577.4	505.2	1,058.7	1,459.4	1,299.7	1,146.0
4	Net Income (Loss)	-26.8	434.5	-144.7	316.5	686.5	1,076.3	1,371.7
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	27.21	28.89	105.68	107.36	107.78	107.74	106.79
6	ASMs - Scheduled Rev. Svc.	37.38	37.10	147.62	147.34	147.06	146.76	146.42
7	Overall RTMs (All Svc.)	3.13	3.35	12.34	12.57	12.62	12.60	12.50
8	Overall ATMs (All Svc.)	5.68	5.59	22.38	22.28	22.18	21.99	21.75
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	118.6	118.5	121.8	121.7	121.4	120.4	119.8
10	Operating Expense per RTM	117.8	101.3	117.7	113.3	109.9	110.1	110.7
11	Operating Profit (Loss) per RTM	0.8	17.2	4.1	8.4	11.6	10.3	9.2
12	Operating Expense per ATM	64.9	60.8	64.9	63.9	62.5	63.1	63.6
13	Passenger Revenue per RPM	12.38	13.46	12.88	13.17	13.12	12.92	12.80
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.36	1.40	1.41	1.51	1.61
15	Times Interest Earned	*	*	0.93	2.76	4.11	5.98	7.29
16	Current Assets to Current Liabilities	*	*	0.56	0.57	0.40	0.44	0.44
17	No. of Days Cash Coverage of Cash Exp.	*	*	33.3	21.0	22.4	30.6	33.5
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	0.6	14.5	3.4	6.9	9.5	8.6	7.6
19	Net Income to Stockholders Equity	*	*	-2.7	6.1	13.3	21.3	28.3
20	Corporate Return on Investment	*	*	2.0	6.4	10.1	14.5	18.5
21	Debt to Total Investment	*	*	51.9	52.2	55.1	50.2	52.6
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	72.8	77.9	71.6	72.9	73.3	73.4	72.9
23	Breakeven	73.0	60.3	69.3	66.0	64.2	65.8	66.7
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	71,556	66,086	67,730	66,362	65,837	65,156	64,592
25	Overall RTM's per Employee (000)	43.7	50.7	182.2	189.4	191.7	193.4	193.6

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-6.6	1.4	0.3	2.4	2.8	2.2	0.7
27	Operating Expenses (%)	8.6	2.7	5.0	3.5	1.6	4.8	6.1
28	Operating Profit (Loss) (in Millions \$)	-553.5	-35.4	-640.8	-122.6	198.3	-306.8	-685.2
29	Net Income (Loss)(in Millions \$)	-461.3	70.1	-1,516.4	-985.1	-599.1	-50.4	270.6
30	RPMs (Sch. Svc.) (%)	-5.8	7.1	-1.0	2.4	2.9	3.2	2.5
31	ASMs (Sch. Svc.) (%)	0.8	3.1	0.8	1.4	1.7	1.7	2.2
32	Operating Revenues per RTM (%)	0.1	-5.5	1.7	0.1	-0.4	-1.5	-2.5
33	Operating Expense per RTM (%)	16.3	-4.3	6.3	1.2	-1.5	1.0	2.8
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-8.0	4.7	0.6	4.3	4.0	2.3	0.5

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
NORTHWEST AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,631.7	2,823.3	10,856.7	11,048.3	10,956.6	10,794.8	10,466.1
2	Operating Expenses	2,651.4	2,547.5	10,736.8	10,632.9	10,293.1	10,032.9	9,692.2
3	Operating Profit (Loss)	-19.7	275.9	119.9	415.4	663.5	761.9	773.8
4	Net Income (Loss)	-57.4	126.8	-98.4	85.8	269.9	332.1	313.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	20.44	20.83	79.20	79.59	79.10	78.34	77.23
6	ASMs - Scheduled Rev. Svc.	26.23	26.13	103.88	103.78	103.32	102.58	101.87
7	Overall RTMs (All Svc.)	2.62	2.72	10.35	10.45	10.43	10.36	10.21
8	Overall ATMs (All Svc.)	4.26	4.17	16.77	16.67	16.52	16.38	16.27
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	100.6	103.9	104.9	105.7	105.1	104.2	102.5
10	Operating Expense per RTM	101.4	93.8	103.7	101.7	98.7	96.8	94.9
11	Operating Profit (Loss) per RTM	-0.8	10.2	1.2	4.0	6.4	7.4	7.6
12	Operating Expense per ATM	62.2	61.1	64.0	63.8	62.3	61.2	59.6
13	Passenger Revenue per RPM	11.16	11.92	11.85	12.04	12.04	12.00	11.81
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.26	1.29	1.27	1.24	1.19
15	Times Interest Earned	*	*	0.56	1.51	2.41	2.66	2.53
16	Current Assets to Current Liabilities	*	*	0.62	0.71	0.52	0.63	0.60
17	No. of Days Cash Coverage of Cash Exp.	*	*	45.7	81.2	25.0	37.4	41.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-0.7	9.8	1.1	3.8	6.1	7.1	7.4
19	Net Income to Stockholders Equity	*	*	-2.0	1.7	5.5	6.8	6.6
20	Corporate Return on Investment	*	*	2.4	4.6	6.8	7.6	7.4
21	Debt to Total Investment	*	*	44.4	42.3	41.0	41.6	42.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	77.9	79.7	76.2	76.7	76.6	76.4	75.8
23	Breakeven	81.5	71.8	77.7	75.3	72.9	71.7	71.0
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	49,918	49,310	49,960	49,808	49,478	49,102	48,768
25	Overall RTM's per Employee (000)	52.4	55.1	207.2	209.8	210.7	211.0	209.4

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-6.8	13.0	3.7	8.9	11.0	13.3	21.1
27	Operating Expenses (%)	4.1	14.5	10.8	13.5	13.1	10.9	10.3
28	Operating Profit (Loss) (in Millions \$)	-295.6	2.2	-653.9	-356.3	-105.3	273.6	914.2
29	Net Income (Loss)(in Millions \$)	-184.2	8.0	-411.7	-219.5	-17.9	223.9	588.6
30	RPMs (Sch. Svc.) (%)	-1.9	8.5	2.6	5.3	6.7	7.5	15.1
31	ASMs (Sch. Svc.) (%)	0.4	3.7	2.0	2.8	3.9	4.0	10.8
32	Operating Revenues per RTM (%)	-3.2	3.2	2.3	3.9	4.0	4.2	3.7
33	Operating Expense per RTM (%)	8.1	4.6	9.3	8.3	5.9	2.0	-5.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-6.4	4.2	0.3	3.0	4.0	5.5	6.4

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
SOUTHWEST AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,553.8	1,460.7	5,928.7	5,835.6	5,649.6	5,386.6	5,143.0
2	Operating Expenses	1,262.8	1,146.1	4,877.4	4,760.7	4,629.1	4,462.2	4,311.9
3	Operating Profit (Loss)	291.0	314.6	1,051.3	1,074.9	1,020.5	924.4	831.0
4	Net Income (Loss)	175.6	190.6	635.6	650.6	603.1	542.2	484.9
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	11.80	10.96	44.28	43.44	42.23	40.74	39.38
6	ASMs - Scheduled Rev. Svc.	16.46	14.75	63.35	61.65	59.94	58.12	56.43
7	Overall RTMs (All Svc.)	1.22	1.13	4.57	4.49	4.37	4.22	4.08
8	Overall ATMs (All Svc.)	2.25	1.86	8.15	7.76	7.55	7.33	7.12
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	127.7	129.0	129.6	130.0	129.4	127.8	126.2
10	Operating Expense per RTM	103.8	101.2	106.7	106.1	106.0	105.8	105.8
11	Operating Profit (Loss) per RTM	23.9	27.8	23.0	23.9	23.4	21.9	20.4
12	Operating Expense per ATM	56.1	61.6	59.8	61.3	61.3	60.9	60.6
13	Passenger Revenue per RPM	12.58	12.77	12.78	12.83	12.78	12.62	12.45
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	1.38	1.42	1.43	1.43	1.43
15	Times Interest Earned	*	*	24.94	25.64	25.03	24.87	26.04
16	Current Assets to Current Liabilities	*	*	0.81	0.70	0.64	0.62	0.68
17	No. of Days Cash Coverage of Cash Exp.	*	*	77.3	55.9	44.1	50.6	57.4
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	18.7	21.5	17.7	18.4	18.1	17.2	16.2
19	Net Income to Stockholders Equity	*	*	18.5	20.2	19.7	18.5	17.2
20	Corporate Return on Investment	*	*	15.8	16.9	16.4	15.5	14.4
21	Debt to Total Investment	*	*	18.4	19.2	20.1	21.3	22.5
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.7	74.3	69.9	70.5	70.5	70.1	69.8
23	Breakeven	56.0	55.5	55.3	55.2	55.5	55.9	56.5
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	29,758	27,506	28,794	28,231	27,830	27,467	27,209
25	Overall RTM's per Employee (000)	40.9	41.2	158.8	159.0	156.9	153.5	149.8

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	6.4	19.7	15.3	19.0	19.3	17.6	15.9
27	Operating Expenses (%)	10.2	18.6	13.1	15.2	17.1	17.7	18.0
28	Operating Profit (Loss) (in Millions \$)	-23.6	60.5	220.3	304.4	239.0	137.7	46.9
29	Net Income (Loss)(in Millions \$)	-15.0	32.8	150.7	198.6	128.7	61.2	1.3
30	RPMs (Sch. Svc.) (%)	7.6	15.7	12.4	14.6	15.8	16.5	16.4
31	ASMs (Sch. Svc.) (%)	11.6	13.6	12.3	12.8	13.3	13.3	13.0
32	Operating Revenues per RTM (%)	-1.0	3.6	2.7	4.1	3.4	1.3	0.1
33	Operating Expense per RTM (%)	2.6	2.6	0.9	0.8	1.4	1.2	1.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-1.5	4.2	2.7	4.2	3.6	1.4	-0.2

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
TRANS WORLD AIRLINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	745.1	954.9	3,353.8	3,563.6	3,584.6	3,538.3	3,442.0
2	Operating Expenses	757.1	939.6	3,635.9	3,818.4	3,817.3	3,902.4	3,854.1
3	Operating Profit (Loss)	-12.0	15.3	-282.1	-254.8	-232.7	-364.1	-412.1
4	Net Income (Loss)	-13.8	-4.2	-356.8	-347.3	-266.7	-387.1	-406.0
	<u>TRAFFIC: (Billions)</u>							
5	RPMs - Scheduled Rev. Svc.	6.30	7.19	26.08	26.97	27.21	27.08	26.59
6	ASMs - Scheduled Rev. Svc.	8.87	9.56	36.87	37.56	37.63	37.46	37.00
7	Overall RTMs (All Svc.)	0.67	0.78	2.83	2.94	4.09	4.09	4.04
8	Overall ATMs (All Svc.)	1.26	1.37	5.30	5.42	5.55	5.49	5.38
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	111.1	122.1	118.6	121.2	87.6	86.6	85.3
10	Operating Expense per RTM	112.9	120.1	128.5	129.9	93.3	95.5	95.5
11	Operating Profit (Loss) per RTM	-1.8	2.0	-10.0	-8.7	-5.7	-8.9	-10.2
12	Operating Expense per ATM	60.2	68.5	68.5	70.5	68.8	71.1	71.6
7	Passenger Revenue per RPM	10.59	12.15	11.51	11.90	11.92	11.82	11.68
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	7.50	7.95	7.18	5.83	4.80
15	Times Interest Earned	*	*	-2.90	-2.15	-1.78	-3.03	-3.42
16	Current Assets to Current Liabilities	*	*	0.36	0.36	0.32	0.48	0.51
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.8	7.0	10.1	15.2	19.1
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-1.6	1.6	-8.4	-7.1	-6.5	-10.3	-12.0
19	Net Income to Stockholders Equity	*	*	113.9	96.5	96.6	229.7	508.0
20	Corporate Return on Investment	*	*	-60.5	-55.2	-35.2	-48.6	-43.5
21	Debt to Total Investment	*	*	102.7	243.8	213.0	162.6	150.9
	<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	71.0	75.2	70.7	71.8	72.3	72.3	71.9
23	Breakeven	73.2	74.8	79.2	79.3	79.3	82.8	84.0
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	18,024	19,125	18,589	18,864	19,079	19,233	19,311
25	Overall RTM's per Employee (000)	37.2	40.9	152.2	155.9	214.4	212.5	209.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-22.0	10.3	-2.6	6.3	8.3	8.7	6.2
26	Operating Expenses (%)	-19.4	10.9	-5.7	1.5	4.5	14.8	16.7
28	Operating Profit (Loss) (in Millions \$)	-27.3	-3.1	130.0	154.2	110.0	-220.3	-350.9
29	Net Income (Loss)(in Millions \$)	-9.6	2.0	49.2	60.7	86.7	-226.5	-293.8
30	RPMs (Sch. Svc.) (%)	-12.4	4.0	-1.9	2.5	4.6	7.5	8.1
31	ASMs (Sch. Svc.) (%)	-7.2	7.8	-0.3	3.5	5.7	7.4	7.7
32	Operating Revenues per RTM (%)	-9.0	6.4	39.0	45.0	-22.5	-24.4	-26.9
33	Operating Expense per RTM (%)	-6.0	6.9	34.6	38.5	-25.3	-20.2	-19.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-12.8	7.6	-1.5	3.9	4.7	2.4	-0.7

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
UNITED AIR LINES**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,648.2	5,097.9	18,766.3	19,216.0	19,331.3	18,999.8	18,917.7
2	Operating Expenses	5,003.0	4,446.4	19,747.1	19,190.5	18,590.5	17,910.7	17,189.9
3	Operating Profit (Loss)	-354.8	651.5	-980.8	25.5	740.8	1,089.1	1,727.8
4	Net Income (Loss)	-293.7	330.8	-813.2	-188.7	51.6	250.2	715.3
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	32.71	33.31	126.04	126.65	126.88	126.40	127.39
6	ASMs - Scheduled Rev. Svc.	44.68	44.06	175.60	174.98	175.40	175.47	176.43
7	Overall RTMs (All Svc.)	3.95	4.14	15.51	15.70	15.84	15.83	15.91
8	Overall ATMs (All Svc.)	7.02	6.96	27.53	27.47	27.56	27.48	27.46
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	117.8	123.2	121.0	122.4	122.1	120.0	118.9
10	Operating Expense per RTM	126.8	107.5	127.3	122.2	117.4	113.1	108.1
11	Operating Profit (Loss) per RTM	-9.0	15.7	-6.3	0.2	4.7	6.9	10.9
12	Operating Expense per ATM	71.3	63.9	71.7	69.9	67.5	65.2	62.6
13	Passenger Revenue per RPM	12.04	13.46	12.62	12.99	13.09	12.91	12.80
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	1.52	1.60	1.66	1.70	1.71
15	Times Interest Earned	*	*	-2.21	0.18	2.25	3.31	5.80
16	Current Assets to Current Liabilities	*	*	0.52	0.63	0.73	0.58	0.58
17	No. of Days Cash Coverage of Cash Exp.	*	*	19.0	29.3	44.0	23.4	25.5
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-7.6	12.8	-5.2	0.1	3.8	5.7	9.1
19	Net Income to Stockholders Equity	*	*	-14.7	-3.3	0.9	4.4	12.7
20	Corporate Return on Investment	*	*	-3.4	1.5	3.4	5.1	9.2
21	Debt to Total Investment	*	*	60.1	59.1	57.3	50.3	46.8
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.2	75.6	71.8	72.4	72.3	72.0	72.2
23	Breakeven	82.2	65.3	78.8	74.4	70.8	69.1	66.4
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	91,369	89,112	90,702	90,138	89,635	89,108	88,409
25	Overall RTM's per Employee (000)	43.2	46.4	171.0	174.2	176.7	177.7	179.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-8.8	12.5	-0.8	4.7	7.6	6.8	6.7
27	Operating Expenses (%)	12.5	8.4	14.9	13.9	11.9	9.0	5.5
28	Operating Profit (Loss) (in Millions \$)	-1,006.3	221.1	-2,708.6	-1,481.1	-617.1	-267.4	300.3
29	Net Income (Loss)(in Millions \$)	-624.5	-332.7	-1,528.5	-1,236.7	-1,152.2	-890.0	-490.7
30	RPMs (Sch. Svc.) (%)	-1.8	6.8	-1.1	1.1	1.2	0.7	1.1
31	ASMs (Sch. Svc.) (%)	1.4	-0.9	-0.5	-1.1	-0.7	-0.6	0.0
32	Operating Revenues per RTM (%)	-4.4	5.8	1.8	4.4	6.1	5.0	4.7
33	Operating Expense per RTM (%)	18.0	2.0	17.8	13.6	10.3	7.1	3.4
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-10.6	7.5	-1.4	3.4	6.3	5.6	5.1

**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**SYSTEM OPERATIONS**  
**US AIRWAYS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	2,486.3	2,399.0	9,442.3	9,355.0	9,181.2	8,937.8	8,630.2
2	Operating Expenses	2,455.2	2,238.0	9,675.4	9,458.2	9,225.6	8,952.7	8,762.7
3	Operating Profit (Loss)	31.1	161.0	-233.1	-103.2	-44.4	-15.0	-132.5
4	Net Income (Loss)	-16.4	77.9	-300.7	-206.4	-254.8	-234.2	-266.4
<u>TRAFFIC: (Billions)</u>								
5	RPMs - Scheduled Rev. Svc.	13.47	12.14	49.90	48.57	46.83	45.03	42.83
6	ASMs - Scheduled Rev. Svc.	18.26	16.24	70.70	68.68	66.49	64.26	61.48
7	Overall RTMs (All Svc.)	1.46	1.31	5.44	5.29	5.09	4.89	4.64
8	Overall ATMs (All Svc.)	2.60	2.25	9.97	9.61	9.24	8.88	8.44
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	170.5	183.3	173.7	176.9	180.5	182.9	186.0
10	Operating Expense per RTM	168.4	171.0	177.9	178.9	181.4	183.2	188.8
11	Operating Profit (Loss) per RTM	2.1	12.3	-4.3	-2.0	-0.9	-0.3	-2.9
12	Operating Expense per ATM	94.3	99.5	97.1	98.4	99.9	100.8	103.8
13	Passenger Revenue per RPM	14.89	16.25	15.46	15.82	16.14	16.23	16.36
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.01	2.03	2.06	2.09	2.09
15	Times Interest Earned	*	*	-0.68	-0.17	0.15	0.18	-0.19
16	Current Assets to Current Liabilities	*	*	0.90	0.85	0.91	0.83	0.81
17	No. of Days Cash Coverage of Cash Exp.	*	*	47.1	42.6	52.3	50.3	43.6
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	1.3	6.7	-2.5	-1.1	-0.5	-0.2	-1.5
19	Net Income to Stockholders Equity	*	*	-17.6	-12.1	-14.5	-13.2	-14.9
20	Corporate Return on Investment	*	*	-0.8	1.0	-0.4	-0.2	-1.5
21	Debt to Total Investment	*	*	67.4	66.3	62.6	59.6	61.6
<u>PASSENGER LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	73.8	74.7	70.6	70.7	70.4	70.1	69.7
23	Breakeven	76.7	72.1	76.3	75.0	74.2	74.2	75.7
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	42,294	41,057	41,831	41,522	41,022	40,396	39,505
25	Overall RTM's per Employee (000)	34.5	31.9	130.0	127.3	124.0	121.0	117.5

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.6	6.7	9.4	10.3	8.5	5.8	0.9
27	Operating Expenses (%)	9.7	13.0	10.4	11.2	11.7	11.6	13.0
28	Operating Profit (Loss) (in Millions \$)	-129.9	-106.5	-100.6	-77.2	-246.7	-439.9	-927.8
29	Net Income (Loss)(in Millions \$)	-94.3	-261.4	-34.3	-201.4	-528.3	-698.9	-935.3
30	RPMs (Sch. Svc.) (%)	11.0	11.5	16.5	16.8	12.9	9.6	3.5
31	ASMs (Sch. Svc.) (%)	12.4	9.7	15.0	14.4	12.5	10.3	6.4
32	Operating Revenues per RTM (%)	-7.0	-4.5	-6.6	-6.1	-4.3	-3.7	-2.6
33	Operating Expense per RTM (%)	-1.5	1.1	-5.8	-5.3	-1.5	1.6	9.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	-8.4	-3.8	-5.5	-4.3	-2.2	-2.6	-3.0

# QUARTERLY FINANCIAL & TRAFFIC REVIEW

## SYSTEM OPERATIONS

### TOTAL ALL-CARGO MAJORS

#### QUARTERLY RESULTS

- For the second quarter, DHL Airways and Federal Express both reported a decline in operating and net results, while UPS had a decline in only operating results.
- For the all-cargo group, operating revenues slid 2.1 percent, while operating expenses grew 4.2 percent, resulting in a \$295.4 million drop in operating results, which remained positive at \$5.2 million.
- Total fuel expense jumped 33.6 percent (\$35.5 million) due to increases in both fuel consumption, up 11.3 percent, and unit fuel prices, up 19.9 percent.
- Net income fell into the red, down \$210.5 million to a loss of \$42.6 million.

Quarter Ended	\$ Millions					
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)		
	LAST YEAR	THIS YEAR	\$	LAST YEAR	THIS YEAR	\$
	2000	2001	Change	2000	2001	Change
March	186.5	228.1	41.6	82.3	122.6	40.3
June	300.6	5.2	-295.4	167.9	-42.6	-210.5
Sept.	314.0	0.0	-	162.3	0.0	-
Dec.	243.2	0.0	-	103.1	0.0	-

- All entities reported declines from a year ago in both operating and net results, with domestic and Pacific operations falling into the red, as well as Latin operating results. Atlantic operating results remained positive, however, despite falling \$80.7 million to a profit of \$53.1 million, and net results dropped \$49.7 million but were still in the black with a profit of \$69.5 million.

ENTITY	\$ Millions						TRAFFIC (Billions)			CAPACITY (Billions)			TON L.F.
	OPERATING PROFIT (LOSS)			NET INCOME (LOSS)			RTMs (All Svc.)			ATMs (All Svc.)			
	2000	2001	\$ Change	2000	2001	\$ Change	2000	2001	Change %	2000	2001	Change %	
Domestic	166.9	-47.9	-214.7	48.7	-112.1	-160.9	1.9	1.8	-8.9	3.2	3.1	-2.1	55.6%
Int'l	133.8	53.1	-80.7	119.2	69.5	-49.7	1.2	1.3	2.7	1.8	2.0	9.7	61.6%
Atlantic	81.8	56.1	-25.7	79.7	77.4	-2.2	0.4	0.4	9.8	0.6	0.6	10.3	63.9%
Latin	37.4	-2.7	-40.1	-118.1	9.0	127.1	0.1	0.1	9.9	0.2	0.3	7.9	55.3%
Pacific	14.6	-0.3	-14.8	157.6	-17.0	-174.5	0.7	0.7	-1.9	1.1	1.2	9.8	61.7%
System	300.6	5.2	-295.4	167.9	-42.6	-210.5	3.1	3.0	-4.4	5.1	5.2	2.2	57.9%

- RTM capacity declined 4.4 percent, while ATM capacity increased 2.2 percent, producing a 4.1 percentage point drop in the ton load factor to 57.9 percent.
- Profitability was eroded as RTM unit costs, up 9.5 percent, grew nearly four times as fast as RTM yield, up 2.4 percent.

#### 12-MONTH RESULTS

- For the twelve months ended June 2001, DHL Airways was the only all-cargo carrier to report an operating or net loss.
- Operating expenses, up 5.1 percent, grew faster than operating revenues, up 3.4 percent, resulting in a \$260.9 million drop in operating profit to \$790.5 million.
- Net income dropped \$219.4 million to \$345.4 million.
- Interest on debt declined \$5.5 million to \$88.6 million.
- The ton load factor climbed 0.3 percentage points to 60.8 percent as RTM traffic growth, up 0.9 percent, rose slightly faster than ATM capacity growth, up 0.5 percent.



**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**SYSTEM OPERATIONS**  
**TOTAL ALL-CARGO MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	4,778.0	4,879.6	19,648.0	19,749.6	19,623.7	19,471.2	18,994.3
2	Operating Expenses	4,772.8	4,579.0	18,857.5	18,663.7	18,579.4	18,320.7	17,942.9
3	Operating Profit (Loss)	5.2	300.6	790.5	1,085.9	1,044.3	1,150.5	1,051.4
4	Net Income (Loss)	-42.6	167.9	345.4	556.0	515.7	640.3	564.8
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	2.27	2.29	9.40	9.41	9.37	9.23	9.03
6	ATMs - Scheduled Rev. Svc.	3.84	3.63	15.20	14.99	14.81	14.60	14.47
7	Overall RTMs (All Services)	2.99	3.13	12.46	12.60	12.65	12.60	12.35
8	Overall ATMs (All Services)	5.17	5.05	20.50	20.39	20.43	20.43	20.39
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	159.7	155.9	157.7	156.8	155.1	154.6	153.9
10	Operating Expense per RTM	159.5	146.3	151.4	148.2	146.8	145.4	145.3
11	Operating Profit (Loss) per RTM	0.2	9.6	6.3	8.6	8.3	9.1	8.5
12	Operating Expense per ATM	92.4	90.6	92.0	91.5	90.9	89.7	88.0
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	2.04	2.06	2.07	2.06	2.02
15	Times Interest Earned	*	*	6.71	8.99	7.92	9.12	8.59
16	Current Assets to Current Liabilities	*	*	1.02	1.29	1.26	1.16	1.15
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.7	3.0	2.3	2.0	1.9
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	0.1	6.2	4.0	5.5	5.3	5.9	5.5
19	Net Income to Stockholders Equity	*	*	6.8	10.8	10.0	12.5	11.1
20	Corporate Return on Investment	*	*	4.7	7.0	6.7	8.1	7.3
21	Debt to Total Investment	*	*	47.5	48.4	47.8	45.9	46.2
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	57.9	62.0	60.8	61.8	61.9	61.7	60.5
23	Breakeven	++	++	++	++	++	++	++
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	108,823	107,222	107,323	106,922	106,705	106,557	106,526
25	Overall RTM's per Employee (000)	27.5	29.2	116.1	117.8	118.6	118.2	115.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-2.1	10.0	3.4	6.5	8.8	10.4	9.0
27	Operating Expenses (%)	4.2	10.4	5.1	6.6	9.5	10.6	10.0
28	Operating Profit (Loss) (in Millions \$)	-295.4	14.9	-260.9	49.4	-19.3	88.6	-63.8
29	Net Income (Loss)(in Millions \$)	-210.5	26.1	-219.4	17.3	-14.7	228.3	105.7
30	RTMs (All Svc.) (%)	-4.4	9.4	0.9	4.3	8.3	11.1	10.2
31	ATMs (All Svc.) (%)	2.2	3.3	0.5	0.8	3.3	4.7	5.6
32	Operating Revenues per RTM (%)	2.4	0.6	2.5	2.1	0.5	-0.6	-1.0
33	Operating Expense per RTM (%)	9.0	0.9	4.2	2.2	1.0	-0.5	-0.2
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**DOMESTIC OPERATIONS**  
**TOTAL ALL-CARGO MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
<u>FINANCIAL RESULTS: (\$Millions)</u>								
1	Operating Revenues	3,399.6	3,555.5	14,109.8	14,265.7	14,194.7	14,140.0	13,895.4
2	Operating Expenses	3,447.4	3,388.7	13,717.4	13,658.7	13,683.6	13,588.9	13,456.5
3	Operating Profit (Loss)	-47.9	166.9	392.4	607.1	511.2	551.2	438.9
4	Net Income (Loss)	-112.1	48.7	32.7	193.5	207.8	278.1	353.5
<u>TRAFFIC: (Billions)</u>								
5	RTMs - Scheduled Rev. Svc.	1.07	1.15	4.60	4.69	4.72	4.71	4.65
6	ATMs - Scheduled Rev. Svc.	1.90	1.91	7.85	7.86	7.83	7.80	7.75
7	Overall RTMs (All Services)	1.75	1.92	7.43	7.60	7.72	7.80	7.75
8	Overall ATMs (All Services)	3.14	3.21	12.73	12.80	12.94	13.14	13.26
<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>								
9	Operating Revenue per RTM	194.6	185.4	189.8	187.6	183.8	181.2	179.3
10	Operating Expense per RTM	197.3	176.7	184.5	179.6	177.2	174.1	173.7
11	Operating Profit (Loss) per RTM	-2.7	8.7	5.3	8.0	6.6	7.1	5.7
12	Operating Expense per ATM	109.7	105.6	107.7	106.7	105.7	103.4	101.4
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
<u>FINANCIAL RATIOS:</u>								
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
<u>FINANCIAL PERCENTAGES:</u>								
18	Operating Profit (Loss) to Operating Revenue	-1.4	4.7	2.8	4.3	3.6	3.9	3.2
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	1.5	3.9	4.2	5.2	6.2
21	Debt to Total Investment	*	*	**	**	**	**	**
<u>TON LOAD FACTOR: (Sch. Svc. %)</u>								
22	Actual	55.6	59.8	58.4	59.4	59.7	59.4	58.4
23	Breakeven	++	++	++	++	++	++	++
<u>Employment &amp; Productivity:</u>								
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.4	6.2	1.5	4.2	5.6	5.9	4.7
27	Operating Expenses (%)	1.7	7.1	1.9	3.2	6.0	7.0	7.6
28	Operating Profit (Loss) (in Millions \$)	-214.8	-16.2	-46.5	152.0	-27.5	-105.5	-321.2
29	Net Income (Loss)(in Millions \$)	-160.8	-42.8	-320.8	-202.8	-164.6	-74.0	96.6
30	RTMs (All Svc.) (%)	-8.9	5.4	-4.1	-0.6	3.2	6.7	7.0
31	ATMs (All Svc.) (%)	-2.1	0.0	-4.0	-3.5	-1.2	1.4	3.2
32	Operating Revenues per RTM (%)	5.0	0.8	5.9	4.9	2.3	-0.7	-2.1
33	Operating Expense per RTM (%)	11.7	1.6	6.2	3.8	2.7	0.3	0.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
INTERNATIONAL OPERATIONS  
TOTAL ALL-CARGO MAJORS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	1,378.5	1,324.1	5,538.2	5,483.8	5,429.0	5,331.2	5,098.9
2	Operating Expenses	1,325.3	1,190.4	5,140.0	5,005.0	4,895.8	4,731.8	4,486.3
3	Operating Profit (Loss)	53.1	133.8	398.1	478.8	533.2	599.4	612.5
4	Net Income (Loss)	69.5	119.2	312.8	362.5	307.8	362.3	211.2
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.20	1.14	4.79	4.72	4.65	4.52	4.38
6	ATMs - Scheduled Rev. Svc.	1.95	1.72	7.36	7.13	6.98	6.80	6.73
7	Overall RTMs (All Services)	1.25	1.21	5.02	4.99	4.93	4.79	4.60
8	Overall ATMs (All Services)	2.02	1.84	7.77	7.59	7.49	7.29	7.13
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	110.7	109.2	110.2	109.9	110.1	111.3	110.9
10	Operating Expense per RTM	106.5	98.2	102.3	100.3	99.3	98.8	97.6
11	Operating Profit (Loss) per RTM	4.3	11.0	7.9	9.6	10.8	12.5	13.3
12	Operating Expense per ATM	65.6	64.6	66.2	66.0	65.4	64.9	62.9
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	**	**	**	**	**
15	Times Interest Earned	*	*	**	**	**	**	**
16	Current Assets to Current Liabilities	*	*	**	**	**	**	**
17	No. of Days Cash Coverage of Cash Exp.	*	*	**	**	**	**	**
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	3.9	10.1	7.2	8.7	9.8	11.2	12.0
19	Net Income to Stockholders Equity	*	*	**	**	**	**	**
20	Corporate Return on Investment	*	*	12.6	14.9	13.5	16.2	10.6
21	Debt to Total Investment	*	*	**	**	**	**	**
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	61.6	65.8	64.7	65.8	65.9	65.7	64.5
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	*	*	**	**	**	**	**
25	Overall RTM's per Employee (000)	*	*	**	**	**	**	**

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	4.1	21.6	8.6	12.8	18.4	24.8	22.5
27	Operating Expenses (%)	11.3	20.7	14.6	16.9	20.6	22.3	17.8
28	Operating Profit (Loss) (in Millions \$)	-80.7	31.1	-214.4	-102.6	8.3	194.1	257.4
29	Net Income (Loss)(in Millions \$)	-49.7	68.8	101.6	220.1	149.8	302.4	9.0
30	RTMs (All Svc.) (%)	2.7	16.3	9.3	12.8	17.5	19.2	16.0
31	ATMs (All Svc.) (%)	9.7	9.4	8.9	8.9	12.0	11.3	10.2
32	Operating Revenues per RTM (%)	1.4	4.5	-0.6	0.0	0.7	4.7	5.5
33	Operating Expense per RTM (%)	8.5	3.8	4.8	3.7	2.6	2.7	1.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**QUARTERLY FINANCIAL & TRAFFIC REVIEW**  
**SYSTEM OPERATIONS**  
**DHL AIRWAYS**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	383.7	370.6	1,510.3	1,497.2	1,497.3	1,479.5	1,453.8
2	Operating Expenses	436.5	381.5	1,652.9	1,597.9	1,568.0	1,505.2	1,456.1
3	Operating Profit (Loss)	-52.8	-10.9	-142.5	-100.6	-70.8	-25.7	-2.3
4	Net Income (Loss)	-51.9	-7.7	-151.0	-106.8	-67.0	-19.6	9.8
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.12	0.10	0.47	0.45	0.45	0.44	0.43
6	ATMs - Scheduled Rev. Svc.	0.23	0.21	0.89	0.87	0.85	0.83	0.79
7	Overall RTMs (All Services)	0.12	0.10	0.48	0.46	0.46	0.45	0.44
8	Overall ATMs (All Services)	0.24	0.22	0.91	0.89	0.88	0.85	0.81
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	319.6	377.6	313.3	325.4	326.2	329.2	329.1
10	Operating Expense per RTM	363.5	388.7	342.8	347.2	341.6	334.9	329.6
11	Operating Profit (Loss) per RTM	-44.0	-11.1	-29.6	-21.9	-15.4	-5.7	-0.5
12	Operating Expense per ATM	184.7	174.7	181.9	179.3	179.1	177.1	179.8
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	6.23	5.24	5.89	6.52	7.00
15	Times Interest Earned	*	*	-7.62	-5.94	-5.16	-1.57	1.97
16	Current Assets to Current Liabilities	*	*	0.52	1.20	1.23	0.96	1.03
17	No. of Days Cash Coverage of Cash Exp.	*	*	0.2	0.2	0.2	0.3	0.3
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-13.8	-2.9	-9.4	-6.7	-4.7	-1.7	-0.2
19	Net Income to Stockholders Equity	*	*	-265.5	-121.3	-58.5	-15.2	7.3
20	Corporate Return on Investment	*	*	-53.6	-30.4	-19.7	-2.7	11.4
21	Debt to Total Investment	*	*	351.8	97.2	82.0	55.5	46.5
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	50.8	44.9	53.0	51.7	52.4	52.9	54.6
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	9,125	8,556	8,957	8,814	8,633	8,472	8,347
25	Overall RTM's per Employee (000)	13.2	11.5	53.8	52.2	53.2	53.0	52.9

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	3.5	9.7	3.9	5.4	9.3	6.9	6.3
27	Operating Expenses (%)	14.4	16.2	13.5	13.9	17.6	15.2	13.9
28	Operating Profit (Loss) (in Millions \$)	-41.9	-20.3	-140.2	-118.6	-107.6	-103.7	-91.1
29	Net Income (Loss)(in Millions \$)	-44.2	-11.1	-160.8	-127.7	-98.8	-30.8	6.8
30	RTMs (Sch. Svc.) (%)	22.3	-12.6	9.1	0.9	2.4	2.3	3.9
31	ATMs (Sch. Svc.) (%)	8.2	17.5	12.3	14.6	16.6	15.9	12.5
32	Operating Revenues per RTM (%)	-15.4	25.5	-4.8	4.4	6.7	4.4	2.3
33	Operating Expense per RTM (%)	-6.5	32.9	4.0	12.8	14.8	12.6	9.6
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
FEDERAL EXPRESS CORP.**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	3,737.9	3,919.1	15,424.9	15,606.2	15,596.5	15,473.9	15,196.8
2	Operating Expenses	3,678.9	3,621.4	14,639.9	14,582.4	14,597.2	14,478.4	14,249.3
3	Operating Profit (Loss)	59.0	297.7	785.0	1,023.7	999.4	995.5	947.5
4	Net Income (Loss)	32.6	176.3	451.6	595.3	545.4	548.9	496.3
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	1.73	1.84	7.31	7.42	7.44	7.39	7.29
6	ATMs - Scheduled Rev. Svc.	2.97	2.89	12.01	11.93	11.83	11.68	11.57
7	Overall RTMs (All Services)	1.79	1.95	7.63	7.79	7.84	7.77	7.59
8	Overall ATMs (All Services)	3.08	3.06	12.56	12.54	12.47	12.30	12.07
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	209.0	201.1	202.1	200.3	199.0	199.0	200.3
10	Operating Expense per RTM	205.7	185.9	191.8	187.1	186.3	186.2	187.8
11	Operating Profit (Loss) per RTM	3.3	15.3	10.3	13.1	12.8	12.8	12.5
12	Operating Expense per ATM	119.5	118.5	116.5	116.3	117.1	117.7	118.0
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	3.02	3.05	3.04	3.01	2.96
15	Times Interest Earned	*	*	12.69	14.88	12.20	11.88	11.51
16	Current Assets to Current Liabilities	*	*	0.99	1.18	1.16	1.19	1.11
17	No. of Days Cash Coverage of Cash Exp.	*	*	2.7	3.3	2.4	2.1	2.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	1.6	7.6	5.1	6.6	6.4	6.4	6.2
19	Net Income to Stockholders Equity	*	*	11.1	14.7	13.5	13.6	12.4
20	Corporate Return on Investment	*	*	10.0	13.0	12.2	12.3	11.3
21	Debt to Total Investment	*	*	19.8	20.0	20.6	21.1	22.0
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.1	63.8	60.8	62.1	62.9	63.2	62.8
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	94,180	93,725	93,089	92,975	93,062	93,172	93,334
25	Overall RTM's per Employee (000)	19.0	20.8	82.0	83.8	84.2	83.4	81.3

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	-4.6	8.9	1.5	4.9	7.5	8.7	8.2
27	Operating Expenses (%)	1.6	8.5	2.7	4.4	7.3	9.0	8.9
28	Operating Profit (Loss) (in Millions \$)	-238.7	36.5	-162.5	112.7	89.5	46.2	-21.4
29	Net Income (Loss)(in Millions \$)	-143.7	36.4	-44.7	135.4	113.0	126.9	36.0
30	RTMs (Sch. Svc.) (%)	-8.2	11.7	0.6	5.6	10.5	13.2	11.2
31	ATMs (Sch. Svc.) (%)	0.8	7.0	4.1	5.6	8.3	9.0	7.7
32	Operating Revenues per RTM (%)	3.9	-2.6	0.9	-0.6	-2.7	-4.0	-2.7
33	Operating Expense per RTM (%)	10.7	-2.9	2.1	-1.1	-2.8	-3.7	-2.0
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**QUARTERLY FINANCIAL & TRAFFIC REVIEW  
SYSTEM OPERATIONS  
UNITED PARCEL SERVICE**

ITEMS		QUARTER ENDED		12 MONTHS ENDED				
		2001/06	2000/06	2001/06	2001/03	2000/12	2000/09	2000/06
	<u>FINANCIAL RESULTS: (\$Millions)</u>							
1	Operating Revenues	656.5	589.9	2,712.7	2,646.2	2,530.0	2,517.8	2,343.7
2	Operating Expenses	657.4	576.1	2,564.7	2,483.4	2,414.2	2,337.1	2,237.5
3	Operating Profit (Loss)	-0.9	13.8	148.0	162.8	115.7	180.7	106.2
4	Net Income (Loss)	-23.4	-0.8	44.9	67.5	37.2	111.0	58.6
	<u>TRAFFIC: (Billions)</u>							
5	RTMs - Scheduled Rev. Svc.	0.42	0.35	1.62	1.55	1.48	1.40	1.31
6	ATMs - Scheduled Rev. Svc.	0.64	0.52	2.30	2.19	2.13	2.08	2.11
7	Overall RTMs (All Services)	1.08	1.08	4.34	4.34	4.36	4.37	4.32
8	Overall ATMs (All Services)	1.85	1.78	7.03	6.96	7.09	7.28	7.51
	<u>YIELD &amp; UNIT COST &amp; PROFITS: (Cents)</u>							
9	Operating Revenue per RTM	60.6	54.4	62.5	60.9	58.1	57.6	54.3
10	Operating Expense per RTM	60.7	53.2	59.0	57.2	55.4	53.5	51.8
11	Operating Profit (Loss) per RTM	-0.1	1.3	3.4	3.7	2.7	4.1	2.5
12	Operating Expense per ATM	35.5	32.4	36.5	35.7	34.1	32.1	29.8
13	Passenger Revenue per RPM	++	++	++	++	++	++	++
	<u>FINANCIAL RATIOS:</u>							
14	Operating Revenues to Total Investment	*	*	0.63	0.63	0.61	0.62	0.57
15	Times Interest Earned	*	*	4.45	5.13	3.46	5.98	3.18
16	Current Assets to Current Liabilities	*	*	2.45	2.90	2.28	1.11	2.64
17	No. of Days Cash Coverage of Cash Exp.	*	*	4.6	3.1	3.7	2.6	3.0
	<u>FINANCIAL PERCENTAGES:</u>							
18	Operating Profit (Loss) to Operating Revenue	-0.1	2.3	5.5	6.2	4.6	7.2	4.5
19	Net Income to Stockholders Equity	*	*	4.6	6.9	3.8	11.3	6.1
20	Corporate Return on Investment	*	*	1.7	2.3	1.5	3.4	2.1
21	Debt to Total Investment	*	*	79.2	78.3	77.6	75.7	75.3
	<u>TON LOAD FACTOR: (Sch. Svc. %)</u>							
22	Actual	58.6	60.9	61.8	62.4	61.5	60.0	57.5
23	Breakeven	++	++	++	++	++	++	++
	<u>Employment &amp; Productivity:</u>							
24	Employment, Total Weighted Avg CY	5,518	4,941	5,277	5,133	5,010	4,913	4,845
25	Overall RTM's per Employee (000)	196.4	219.3	823.1	846.2	869.8	889.9	891.1

		CHANGE OVER COMPARABLE PERIOD 12 MONTHS EARLIER						
26	Operating Revenues (%)	11.3	18.3	15.7	17.5	17.5	24.9	16.4
27	Operating Expenses (%)	14.1	19.1	14.6	15.8	18.6	18.0	14.4
28	Operating Profit (Loss) (in Millions \$)	-14.7	-1.4	41.8	55.3	-1.2	146.1	48.6
29	Net Income (Loss)(in Millions \$)	-22.6	0.6	-13.7	9.6	-29.1	132.2	62.8
30	RTMs (Sch. Svc.) (%)	0.0	7.8	0.6	2.5	5.3	8.4	9.1
31	ATMs (Sch. Svc.) (%)	4.0	-3.9	-6.4	-8.3	-5.7	-2.8	1.6
32	Operating Revenues per RTM (%)	11.4	9.7	15.1	14.7	11.7	15.2	6.7
33	Operating Expense per RTM (%)	14.1	10.6	13.9	13.0	12.6	9.0	4.9
34	Passenger Revenue per RPM (Sch. Svc.)(%)	++	++	++	++	++	++	++

**COMPARISON OF OPERATING PROFIT (LOSS) AND NET INCOME (LOSS)  
FOR INDIVIDUAL MAJORS  
QUARTER AND 12 MONTHS ENDED JUNE 2001**

<b>Operating Profit (Loss) (\$Millions)</b>						
<b>Group/Carrier</b>	<b>Quarterly Data</b>			<b>12 Month Ended Data</b>		
	<b>6/2000</b>	<b>6/2001</b>	<b>\$Chg</b>	<b>6/2000</b>	<b>6/2001</b>	<b>\$Chg</b>
System Passenger Majors	2,803.9	(724.4)	(3,528.3)	5,935.5	396.6	(5,538.9)
US Airways	161.0	31.1	(129.9)	(132.5)	(233.1)	(100.6)
Alaska	8.6	11.5	2.9	88.2	(26.2)	(114.4)
American Trans Air	23.2	18.3	(4.9)	58.7	9.4	(49.3)
America West	49.3	(55.8)	(105.1)	136.1	(155.0)	(291.1)
Southwest	314.6	291.0	(23.6)	831.0	1,051.3	220.3
American Eagle	27.3	(81.3)	(108.6)	66.2	(52.0)	(118.2)
American	469.9	(681.5)	(1,151.4)	1,281.1	(89.4)	(1,370.5)
Continental	230.0	104.9	(125.1)	371.0	529.3	158.3
Delta	577.4	23.9	(553.5)	1,146.0	505.2	(640.8)
Northwest	275.9	(19.7)	(295.6)	773.8	119.9	(653.9)
Trans World	15.3	(12.0)	(27.3)	(412.1)	(282.1)	130.0
United	651.5	(354.8)	(1,006.3)	1,727.8	(980.8)	(2,708.6)
System Cargo Majors	300.6	5.2	(295.4)	1,051.4	790.5	(260.9)
DHL Airways	(10.9)	(52.8)	(41.9)	(2.3)	(142.5)	(140.2)
Federal Express	297.7	59.0	(238.7)	947.5	785.0	(162.5)
United Parcel Service	13.8	(0.9)	(14.7)	106.2	148.0	41.8
System Total Majors	3,104.5	(719.2)	(3,823.7)	6,986.9	1,187.1	(5,799.8)

<b>Net Income (Loss) (\$Millions)</b>						
<b>Group/Carrier</b>	<b>Quarterly Data</b>			<b>12 Month Ended Data</b>		
	<b>6/2000</b>	<b>6/2001</b>	<b>\$Chg</b>	<b>6/2000</b>	<b>6/2001</b>	<b>\$Chg</b>
System Passenger Majors	1,663.2	(729.2)	(2,392.4)	3,526.9	(1,238.9)	(4,765.8)
US Airways	77.9	(16.4)	(94.3)	(266.4)	(300.7)	(34.3)
Alaska	6.0	4.8	(1.2)	4.9	(22.0)	(26.9)
American Trans Air	10.8	6.9	(3.9)	22.6	(15.5)	(38.1)
America West	28.3	(43.3)	(71.6)	94.0	(100.7)	(194.7)
Southwest	190.6	175.6	(15.0)	484.9	635.6	150.7
American Eagle	4.7	(65.6)	(70.3)	4.4	(93.5)	(97.9)
American	323.6	(437.1)	(760.7)	806.9	(142.5)	(949.4)
Continental	133.4	37.5	(95.9)	381.3	213.7	(167.6)
Delta	434.5	(26.8)	(461.3)	1,371.7	(144.7)	(1,516.4)
Northwest	126.8	(57.4)	(184.2)	313.3	(98.4)	(411.7)
Trans World	(4.2)	(13.8)	(9.6)	(406.0)	(356.8)	49.2
United	330.8	(293.7)	(624.5)	715.3	(813.2)	(1,528.5)
System Cargo Majors	167.9	(42.6)	(210.5)	564.8	345.4	(219.4)
DHL Airways	(7.7)	(51.9)	(44.2)	9.8	(151.0)	(160.8)
Federal Express	176.3	32.6	(143.7)	496.3	451.6	(44.7)
United Parcel Service	(0.8)	(23.4)	(22.6)	58.6	44.9	(13.7)
System Total Majors	1,831.1	(771.8)	(2,602.9)	4,091.7	(893.4)	(4,985.1)

**COMPARISON OF PASSENGER LOAD FACTOR AND PASSENGER YIELD  
FOR INDIVIDUAL MAJORS  
QUARTER AND 12 MONTHS ENDED JUNE 2001**

<b>Passenger Load Factor (Percent)</b>						
<b>Group/Carrier</b>	<b>Quarterly Data</b>			<b>12 Month Ended Data</b>		
	<b>6/2000</b>	<b>6/2001</b>	<b>Pt.Chg.</b>	<b>6/2000</b>	<b>6/2001</b>	<b>Pt.Chg.</b>
System Passenger Majors	76.4	73.5	(2.9)	72.2	72.1	(0.1)
Alaska	72.4	70.3	(2.1)	68.8	68.5	(0.3)
America West	73.7	75.5	1.8	70.3	71.6	1.3
American	75.9	71.9	(4.0)	70.7	71.5	0.8
American Eagle	64.2	62.1	(2.1)	61.6	59.3	(2.3)
American Trans Air	81.6	80.3	(1.3)	77.9	76.1	(1.8)
Continental	77.8	75.5	(2.3)	74.3	74.0	(0.3)
Delta	77.9	72.8	(5.1)	72.9	71.6	(1.3)
Northwest	79.7	77.9	(1.8)	75.8	76.2	0.4
Southwest	74.3	71.7	(2.6)	69.8	69.9	0.1
Trans World	75.2	71.0	(4.2)	71.9	70.7	(1.2)
United	75.6	73.2	(2.4)	72.2	71.8	(0.4)
US Airways	74.7	73.8	(0.9)	69.7	70.6	0.9
System Cargo Majors	62.0	57.9	(4.1)	60.5	60.8	0.3
DHL	44.9	50.8	5.9	54.6	53.0	(1.6)
Federal Express	63.8	58.1	(5.7)	62.8	60.8	(2.0)
UPS	60.9	58.6	(2.3)	57.5	61.8	4.3
System Total Majors	76.4	73.5	(2.9)	72.2	72.1	(0.1)

<b>Scheduled Passenger Yield (Cents)</b>						
<b>Group/Carrier</b>	<b>Quarterly Data</b>			<b>12 Month Ended Data</b>		
	<b>6/2000</b>	<b>6/2001</b>	<b>Pct.Chg.</b>	<b>6/2000</b>	<b>6/2001</b>	<b>Pct.Chg.</b>
System Passenger Majors	13.41	12.60	(6.0)	12.98	13.15	1.3
Alaska	13.13	12.86	(2.1)	12.79	13.21	3.3
America West	11.44	10.49	(8.3)	11.39	11.01	(3.3)
American	13.75	13.46	(2.1)	13.52	14.19	5.0
American Eagle	37.41	39.39	5.3	37.05	39.43	6.4
American Trans Air	10.02	9.99	(0.3)	9.55	9.95	4.2
Continental	13.24	12.77	(3.6)	12.49	13.18	5.5
Delta	13.46	12.38	(8.0)	12.80	12.88	0.6
Northwest	11.92	11.16	(6.4)	11.81	11.85	0.3
Southwest	12.77	12.58	(1.5)	12.45	12.78	2.7
Trans World	12.15	10.59	(12.8)	11.68	11.51	(1.5)
United	13.46	12.04	(10.6)	12.80	12.62	(1.4)
US Airways	16.25	14.89	(8.4)	16.36	15.46	(5.5)
System Cargo Majors	-	-	-	-	-	-
DHL	-	-	-	-	-	-
Federal Express	-	-	-	-	-	-
UPS	-	-	-	-	-	-
System Total Majors	13.41	12.60	(6.0)	12.98	13.15	1.3



**COMPARISON OF OPERATING PROFIT MARGIN, DEBT TO INVESTMENT AND TOTAL DEBT  
FOR INDIVIDUAL MAJORS  
QUARTER AND 12 MONTHS ENDED JUNE 2001**

Group/Carrier	Operating Profit Margin (Percent)					
	Quarterly Data			12 Month Ended Data		
	6/2000	6/2001	Pt. Chg	6/2000	6/2001	Pt. Chg.
System Passenger Majors	11.0	(3.0)	(14.0)	6.3	0.4	(5.9)
Alaska	1.9	2.4	0.5	5.1	(1.4)	(6.5)
America West	8.1	(9.7)	(17.8)	6.0	(6.7)	(12.7)
American	10.2	(15.5)	(25.7)	7.4	(0.5)	(7.9)
American Eagle	8.7	(21.9)	(30.6)	5.8	(3.9)	(9.7)
American Trans Air	7.5	5.6	(1.9)	5.4	0.8	(4.6)
Continental	9.4	4.5	(4.9)	4.2	5.6	1.4
Delta	14.5	0.6	(13.9)	7.6	3.4	(4.2)
Northwest	9.8	(0.7)	(10.5)	7.4	1.1	(6.3)
Southwest	21.5	18.7	(2.8)	16.2	17.7	1.5
Trans World	1.6	(1.6)	(3.2)	(12.0)	(8.4)	3.6
United	12.8	(7.6)	(20.4)	9.1	(5.2)	(14.3)
US Airways	6.7	1.3	(5.4)	(1.5)	(2.5)	(1.0)
System Cargo Majors	6.2	0.1	(6.1)	5.5	4.0	(1.5)
DHL	(2.9)	(13.8)	(10.9)	(0.2)	(9.4)	(9.2)
Federal Express	7.6	1.6	(6.0)	6.2	5.1	(1.1)
UPS	2.3	(0.1)	(2.4)	4.5	5.5	1.0
System Total Majors	10.2	(2.5)	(12.7)	6.2	1.0	(5.2)

Group/Carrier	Debt To Investment (Percent)			Total Debt (\$Millions)		
	Quarterly Data			Quarterly Data		
	6/2000	6/2001	Pt.Chg.	6/2000	6/2001	\$ Chg.
System Passenger Majors	48.1	54.2	6.1	29,156.7	35,330.2	6,173.5
Alaska	38.9	50.3	11.4	389.0	694.5	305.5
America West	20.2	19.2	-1.0	234.2	196.5	(37.7)
American	33.8	46.9	13.1	3,878.7	5,333.6	1,454.9
American Eagle	89.4	93.2	3.8	2,216.2	2,520.2	304.0
American Trans Air	76.2	84.1	7.9	358.3	503.0	144.7
Continental	66.5	74.2	7.7	3,354.4	4,129.1	774.7
Delta	52.6	51.9	-0.7	5,522.3	5,704.5	182.2
Northwest	42.6	44.4	1.8	3,650.2	3,852.5	202.3
Southwest	22.5	18.4	-4.1	872.0	863.1	(8.9)
Trans World	150.9	102.7	-48.2	742.6	515.8	(226.8)
United	46.8	60.1	13.3	5,239.9	7,707.9	2,468.0
US Airways	61.6	67.4	5.8	2,699.0	3,309.4	610.4
System Cargo Majors	46.2	47.5	1.3	4,184.2	4,670.7	486.5
DHL	46.5	351.8	305.3	108.4	31.7	(76.7)
Federal Express	22.0	19.8	-2.2	1,060.8	1,044.2	(16.6)
UPS	75.3	79.2	3.9	3,015.0	3,594.8	579.8
System Total Majors	47.8	53.3	5.5	33,340.9	40,000.9	6,660.0

## FOOTNOTES

- \* Not calculated on a quarterly basis.
- \*\* Cannot be calculated because balance sheet data not presented on an entity basis.  
Data presented only on a system basis.
- ++ Not calculated for all-cargo carriers.
- # Meaningful calculation cannot be made because of negative data.
- & Over +/- 500 percent.

EXPLANATION OF LINE ITEMS

LINE #	DESCRIPTION OF LINE ITEM	DERIVATION OF LINE ITEM
1	Operating Revenues	Operating Revenues (Account 4999)
2	Operating Expenses	Operating Expenses (Account 7199)
3	Operating Profit or Loss	Operating Profit (Account 7999)
4	Net Income or Loss	Net Income (Account 9899)
5	Overall Revenue Ton-miles	Overall Revenue Ton-miles (Item Z-240)
6	Overall Available Ton-miles	Overall Available Ton-miles (Item Z-280)
7	Revenue Passenger-Miles (Scheduled Service)	Total scheduled revenue passenger-miles (Item K-140)
8	Available Seat-Miles (Scheduled Service)	Total scheduled available seat-miles (Item K-280)
9	Operating revenue per revenue ton-mile	<u>Operating revenues (Account 4999)</u> Overall revenue ton-miles (Item Z-240)
10	Operating expense per revenue ton-mile	<u>Operating expenses (Account 7199)</u> Overall revenue ton-miles (Item Z-240)
11	Operating profit per revenue ton-mile	<u>Operating profit (Account 7999)</u> Overall revenue ton-miles (Item Z-240)
12	Operating expense per available ton-mile	<u>Operating expenses (Account 7199)</u> Overall available ton-miles (Item Z-280)
13	Passenger revenue per revenue passenger-mile (scheduled service)	<u>Passenger revenues (scheduled service) (Account 3901)</u> Total revenue passenger-miles (scheduled service (Item K-140)
14	Operating revenues to total investment	<u>Operating revenue (Account 4999)</u> Total investment (See line 20)
15	Times interest earned	<u>Income Before income taxes (Account 8999) + interest on long-term debt and capital leases (Account 8181) + Other interest expense (Account 8182)</u> Interest on long-term debt and capital leases (Account 8181) + Other interest expense (Account 8182)
16	Current assets to current liabilities	<u>Current assets (Account 1499)</u> Current liabilities (Account 2199)
17	Number of days coverage of cash operating expenses	<u>Cash (Account 1010) + short-term investments (Account 1100)</u> [Total operating expenses (Account 7199) less depreciation and amortization (Account 7000)]/365
18	Operating Profit to operating revenues	<u>Operating profit (Account 7999)</u> Operating revenues (Account 4999)
19	Net income to stockholders' equity	<u>Net income (Account 9999)</u> Stockholders' equity (Account 2995) (5 Quarter average)

EXPLANATION OF LINE ITEMS

LINE #	DESCRIPTION OF LINE ITEM	DERIVATION OF LINE ITEM
20	Overall corporate rate of return	<p>Net income plus interest expense</p> <hr/> <p>Total investment</p> <p>Net income plus interest expense is:  Net income (Account 9899) + interest on long-term debt and capital leases (Account 8181) + other interest expense (Account 8182) + amortization of debt discount, premium and expense (Account 8184).</p> <p>Total investment is:  Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) + stockholders' equity (Account 2995) - unamortized debt expense (Account 1840). (A five-quarter average is used).</p>
21	Debt to total investment (end of period)	<p>Current maturities of long-term debt (Account 2000) + current obligations under capital leases (Account 2080) + long-term debt (Account 2210) + advances from associated companies (Account 2240) + noncurrent obligations under capital leases (Account 2280) - unamortized debt expense (Account 1840)</p> <hr/> <p>Total investment (See line 20)</p>
22	Actual passenger load factor (scheduled service)	<p>Revenue passenger-miles (scheduled service (Item K-140)</p> <hr/> <p>Available seat-miles (scheduled service (Item K-280)</p>
23	Operating breakeven load factor (scheduled service)	<p>Capacity operating expense, scheduled service (passenger)</p> <hr/> <p>[Scheduled passenger revenue (Account 3901) - Traffic operating expense, passenger scheduled service] / Actual passenger load factor, scheduled service</p>
24	Difference, actual-breakeven load factor	<p>Actual (Line 22) - Breakeven (Line 23)</p>
25	Employees	<p>Number of full time employees (Average for 12-month ended period)</p>
26	Overall revenue ton-miles per employee	<p>Overall revenue ton-miles (Item Z-240)</p> <hr/> <p>Average # of employees (See Line 25)</p>